

Leyland falls £30m. short of target after loss on cars

BY TERRY DODSWORTH and CHRISTIAN TYLER.

British Leyland's car group had failed to make the financial recovery required by the Government long before the eruption of the present toolmakers' strike, figures due for publication on Friday indicate.

The disappointing results from the company's troubled car division, which brings losses much more swiftly than together all the unions in the motor industry, see no chance of getting the warnings issued by the Government.

The Government is letting it be known that the main point of satisfying the toolmakers' demand for separate company-wide bargaining is to be the main point of satisfying the toolmakers' demand for separate company-wide bargaining.

No one doubts the genuineness of the Government's ultimatum that industrial relations must be sorted out by the end of the month or funds to the State-owned enterprise will be cut off.

The confederation and the company hope that the toolmakers — who could themselves suffer if, for instance, the Longbridge plant in Birmingham does not get the new Mini — will see the offer of early union-company discussions on representation pay structures, and wage differentials as the eventual remedy for their grievances.

To-morrow the national executives of the AUEW meets to decide what it can do following the failure of an attempt by Mr. Hugh Scanlon, its president, last Friday to talk the 3,000 strikers round.

On Wednesday senior Leyland executives will be questioned about the crisis by the Commons Trade and Industry Sub-Committee. An unusual return to a subject on which it has already reported — there have been two big investigations in the motor industry recently — the committee is also pulling in representatives from the Department of Industry, the National Enterprise Board and the trade unions.

One intriguing decision is that of the company with which the Confederation of Shipbuilding and Engineering Unions takes place this afternoon. Leaders of the

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It is not clear how far Leyland will go towards publicly attributing the results of different product groups when it presents its preliminary figures on Friday. The company has indicated in the past that it would like to give a complete breakdown, but at the half year stage, it did not go the whole way towards this.

Nevertheless, it has been apparent for some time that senior Leyland executives have been worried about the financial trends in the car group as well as the patchy record of industrial relations in the last 18 months. The forecast of which

the Government-backed investment plans depend foresees a standstill in car activities helped by the financial restructuring which has

been arranged by the National Enterprise Board and the trade unions.

One hasty arranged meeting of the company with the Confederation of Shipbuilding and Engineering Unions takes place this afternoon. Leaders of the

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Inchcape
\$25m.
Eurobond
issue

BY KEITH LEWIS

INCHCAPE, the international trading group headed by the Earl of Inchcape, is to raise \$25m. in the Eurobond market through a convertible issue, the first major fund-raising exercise of this kind for over four years. The last was by the Rank Organisation which raised \$75m. of 41 per cent convertible loan in January 1973.

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Leningrad Symphony

Leningrad (Seventh) spite of Mr. Achronovich's special relationship with the symphony (he was involved in the stage as a boy and later had opportunities of discussing that score with the composer), the result didn't altogether suggest that No. 7 will fully re-establish itself after the action as, for instance, Ravel's "Méli-Mélo" did. The score is a good symphony that can be considered a musical until the authorities forced him to leave for Leningrad where the score was ad and already performed in 1942.

The notorious first movement crescendo can't fail to work on a crude level, though curiously enough it proved less interesting in the concert hall than in the theatre pit, and one couldn't avoid comparison with the far greater skill with which Ravel "billed" off the same trick in *Boléro* — the fact that the circumstances of the composition of Ravel's piece were trivial compared with those of the symphony makes the difference more, not less, glaring. Each of the four movements has passages still worth hearing but for most of the time one is aware that the composer has done the same thing better elsewhere.

One interesting point emerged from this performance. The finale, the only part of the symphony written away from Leningrad, not exactly re-collected in tranquillity but at least to some extent removed in place and time, made the strongest impression, the poster-like simplifications giving way to genuine, immensely digested sombreness.

Some years ago the Ballet from Leningrad to London, a ballet by which used the lengthy movement. In the theatre company, one was performed very little in such a broadly brushed fresco of a score. The brass took every chance (there are plenty of them) of letting rip. Before the interval James Galway wood his numerous admirers with a sparkling rousing performance that account of Mozart's Flute Concert shattered the roof of the cello in G which would have all Hall and set the large sparkled even more brightly with ac cheering.

RONALD CRICHTON

Bartholomew-the-Great

St. John Passion

English movement towards the narrative) and recapitulation authentic performances of (the music) its real significance. Norrington penetrated it to a superbly increasing the tension over Norrington presented chorus by chorus, and then presented the chorale *Durch deinen* Passion with small *Gefügs* as a breathless, quiet soloists from the choir moment of utter despair, substituting into its last chromatically orchestra. The result was harmonised line. From there, the movement toward Christ's death was forceful and (because of his Habsburg with people, the music had already been much critical comment) inevitable; it seemed to Since then, interest in the point forward past the Cross, to the final burial and subsequent triumph of Christ.

It may seem strange to confine comment to an interpretative point when there was so much in the sheer sound of the performance that was unusual, but that was Norrington's achievement: to push us beyond mere interest in what old instruments sounded like, in order to make us hear how they could transform the impact of the music. The combination of light-toned baroque flutes, reedy oboes and two beautifully incisive treble voices in the aria *Zerstörer*, *mein Herz* gave its continuous sections an unearthing which no conventional account could match. We heard the inner parts of the fugal choruses, the lute obbligato mingling with a restrained baritone voice in *Betrüchte, meine Seele* the passionate, rasping sound of the strings in *Ach, mein Sinn*; but these were all only means to success with which the Bach's ends. Through it all, the impeccably controlled Evangelist of Neil Jenkins directed the course of the narrative with precision and force—the most symmetrical, balancing great series of crowd and a strong unifying factor in a varied performance. Not a Je. I have never heard a perfect, faultless evening, then, since which gave this unequal point of development of

NICHOLAS KENYON

Augustine's, Kilburn

Saltarello Choir

Saltarello Choir, under harmonic audacity of the later and Bernas on Thursday con Requiem Mass or *Via Crucis*; but their voyage through the charted choral repertory a rare performance of the

Chorals, like his first gial work, which he composed directly after taking his in Rome in 1885. The "Requiescit" of *Eccl.* (Robert Collet's in an essay in *Almanac's* List). Symposium so little chromaticism, so romantic rhetoric." Strange: were the performances which Collet heard at Paris re-edited or especially ait? The Missa Chorialis may speak with the lushness and

Liszt's "Exposition de la Chorale St. Seb" for solo organ, played as an introit to the programme by Alan Willmore, made less effect: perhaps on another more grateful instrument, shaped with more rhythmic precision, it could come across more pungently. Verdi's *Pater Noster* and Ave Maria are both Saltarello party-pieces. The singers began their evening with them, gaining heart as they went and rising with spirit to the climax of their first half of Schoenberg's *Friede auf Erden* one of the best performances I have heard from any amateur choir of this short, but exceptionally taxing work. Polished up just a shade more brightly, both this and the Missa Chorialis should be promising candidates for a new Saltarello record.

DOMINIC GILL



Shelley, Speiser, Boettcher

Nottingham Playhouse

The Cherry Orchard

by MICHAEL COVENY

The Cherry Orchard is never a play to tire of, but it is surely a mark of an excellent production that you notice important qualities forcefully, as if for the first time. If the comedy is about people being uprooted in the cause of "progress", it is also about the return to basic values of a "right" woman whose life has been disrupted by personal tragedy. When Bridget Turner as Mme. Ranevsky enters her old nursery for the first time in five years, she almost has to guess where she is. But when, later in the play, her sentimentiality is attacked by the intense student, Trofimov, she makes a moving plea for the right of people to wallow in memories.

These scenes come across with startling lucidity in Richard Eyre's fresh and abrasive production. The credit must be shared by Trevor Griffiths, who has prepared, from a literal translation by Helen Rappoport, the most idiomatic and speakable English. Chekhov I have experienced. Sometimes this results in lines that are, for the first time, genuinely funny, such as Epikhovod's wistful "Abroad they've been a century ahead for years"; but mostly, characters speak in shorter, more personalised sentences. And the language is skilfully wedded to the interpretation, as in the failure to pass his exams. He says, "unpopular things, loudly

and passionately. At the end of Act 2, he stands on a bench, almost mocking his own powers of oratory, as he indoctrinates Anya with his strident optimism. M'ck Ford's performance is superb; and its internal effect on the play is subtly underlined by Lynsey Baxter's clever transformation from loquacious child to sensible, severe young woman.

Although designer John Gunter has given the cast an awkward hillock to deal with in the second act, the rest of the production looks magnificent. The nursery is all white (unconscious echo of Serban's recent New York production), with three fine slatted windows giving on to a dazzling white cyclorama; and the drawing room of Act 3 gives a great impression of luxurious space. There is even a billiard room through the upstage doors.

Bridget Turner's performance is not spell-binding in any obvious way, but it is supremely intelligent and sympathetic. The same goes for Ralph Nossack's whimsical Gayev, cocking his ear in the hope of catching the reassuring noise of a cawmion from the billiard table and gently side-stepping the genuine (feminist) implications of Lopakhin's activities.

Elizabeth Hall

English Chamber Orchestra

by MAX LOPPERT

At the Festival Hall on Friday, Sheila Armstrong was the Hallé Orchestra's soprano soloist in arias from *Idomeneo*; next door, Elisabeth Speiser sang Mozart and Haydn concert arias with the English Chamber Orchestra under Wilfried Boettcher. Did nobody on South Bank notice the "incomparable" in its wonderfully spacious (with mock-histrionics), was negative. There was little engagement with the words, less sense of drama beyond statement of the notes, and almost no projection of the voice, but a waiting audience with force of pleasing personality. No soprano has a right to be quite so accomplished, and at the same time quite so dull.

Miss Speiser, the Swiss soprano remembered as Pamina at Glyndebourne and also with the visiting Ludwigsburg company at last year's Brighton Festival, is a cultivated Mozart and Haydn singer, particularly good in the phrases in suitable "period" fashion (although to Haydn's aria "Miseri noi, miseris patria", it was hardly the most graceful). It was hardly the most graceful (with mock-histrionics), was negative. There was little engagement with the words, less sense of drama beyond statement of the notes, and almost no projection of the voice, but a waiting audience with force of pleasing personality. No soprano has a right to be quite so accomplished, and at the same time quite so dull.

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OVERSEAS NEWS

Palestinian council may ease way to peace talks

BY ROBERT GRAHAM

THE PALESTINIAN National Council, the supreme representative body of the Palestinians, is expected to adopt measures which will leave the door open for eventual participation in a re-convened Geneva peace conference.

The formula, which will be debated by the Council in closed session this week, is understood to have been already discussed by key Arab governments, according to informed Palestinian sources.

It consists of a proposal to amend that part of the last Palestine National Council declaration in 1974 which said that any decision on whether or not to go to the Geneva peace conference be approved by the Council.

Under the proposal the PNC will vest such authority in its of the radical wing of the PLO, central council. This body, Mr. Bahat Abu Gharbia of the

originally consisting of 42 members but now around 37, acts as the co-ordinator between the PNC and the PLO executive committee — the central arm of the resistance movement.

At the same time the central council will be expanded to include "independents" not associated with the resistance movement.

The council meeting, which opened its thirteenth session here yesterday in the Arab League headquarters overlooking the Nile, has been mainly concerned so far with procedural matters. Mr. Khaled Fahoum was re-elected as speaker with three quarters of the votes cast. Mr. Fahoum, regarded as a moderate and pro-Syrian, gained 172 votes against the candidate conference with Sudanese President Jaafar Nimeiri recently.

Nine to discuss farm price rise

BY ROBIN REEVES

EPC NEGOTIATIONS which could have considerable influence on the next phase of the U.K. pay policy begin here to-morrow. Common Market Agricultural Ministers assemble for a two-day council meeting at which they are due to begin detailed discussion of the Brussels Commission's recommended package of farm price increases and green currency adjustments for the 1977-78 season.

British trade union leaders have made clear that their continued co-operation in the Government's fight against inflation will depend on stern action to hold down food prices. In particular, they are looking to the

Government to maintain its hard line against the Commission's present package. This calls for an average increase in EEC common prices of some 3 per cent, combined in Britain's case, with an 8 per cent devaluation of the "green pound."

The task of defending the British position will fall to Dr. Gavin Strang, Parliamentary Secretary to the Ministry of Agriculture. The Minister himself, Mr. John Silkin, will be required to act as impartial chairman of the negotiations, in his capacity as President-in-Office of the Council of Farm Ministers. Last month Britain stood out

BRUSSELS, March 13.

Portugal will apply to join EEC this month

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT

BRUSSELS, March 13.

DR. MARIO SOARES, the Portuguese Prime Minister, concluded his tour of EEC capitals this weekend with a forceful reaffirmation of his Government's intention to apply by the end of this month for full membership of the European Community.

He told a press conference here, after a 14-hour meeting with Mr. Roy Jenkins, President of the EEC Commission, that he expected formal entry negotiations to open at the start of next year, and to last two to three years.

He expected Portugal to be fully integrated into the EEC by 1985, though he admitted that its agricultural sector might need slightly longer to adapt.

Dr. Soares appeared undaunted by recent indications that some EEC governments, notably the French, are stiffening their attitude towards Portugal's application. He said that Portugal was interested in full membership and did not want to be offered a "pre-entry" phase in which to adjust before joining the Community.

He breezily dismissed suggestions that his country's application should be treated jointly with that of Greece and the membership request which Spain is expected to submit later this year. He said that each application raised different questions and added that Portugal was further advanced along the path towards democracy than Spain.

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1974	20,119,818	92
1975	32,850,793	175
1976	36,305,112	196
		4.93
		4.65

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United Kingdom & Commonwealth (excl. Canada)	51.0%
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U.K. Mexico trust fund

By Bernard Simon

A BRITISH-MEXICAN Trust Fund (Brinmix) has been set up to encourage joint business ventures between U.K. and Mexican companies and promote British exports to Mexico. The Fund's sponsors are the British merchant bank Grindlays Brundts and Nacional Financiera (Nafinsa), the Mexican Government development Agency.

The Trust will act as a vehicle through which U.K. companies wishing to invest in Mexico can channel part of their investment. It will have an initial stake of up to 30 per cent in any joint venture set up under its aegis.

In addition to providing a channel for investment, the Trust will identify areas for new investment and provide technical and feasibility studies to British investors and exporters. It will help U.K. companies find suitable Mexican partners for joint ventures and assist them in negotiations. The Trust will also provide market advice and export finance.

Leipzig Fair

By Leslie Collett

BERLIN, March 13.

THE SPRING Leipzig Fair, still the largest east-west trade event opens to-day (Sunday) and runs for one week. The emphasis is again on engineering products and consumer goods with other industries also displaying their products at the autumn Fair.

The East German organisers say some 90,000 exhibitors from 60 countries are present with 2,100 of them from 27 Western countries.

The U.K. exhibition is sponsored by the British Overseas Trade Board and the Birmingham Chamber of Industry and Commerce.

U.K.-East German trade last year amounted to £106m. with the U.K. exporting £53m.

During a visit to East Germany last month by Trade Secretary Mr. Edmund Dell, Secretary for Trade, the U.K. and East Germany agreed to double their bilateral trade to over £200m. by 1980.

Saudis lag in bid to curb oil price rise

By Richard John

RIYADH, March 12. SAUDI ARABIA lagged further behind last month in its efforts to force down the average increase in the price of oil charged by other members of the Organisation of Petroleum Exporting Countries.

President Anwar Sadat of Egypt has given Mr. Al Assad the green light to approach the Soviets when the two leaders met in Cairo at the end of February, the sources disclosed.

Mr. Sadat in fact hinted at possible Syrian mediation in his highly tense relations with Moscow when he and Mr. Al Assad spoke to reporters in Cairo upon their return from the 10m. b/d target set by the Government for the first quarter of 1977 cannot be achieved now.

Saudi Arabia must now be resigned to the fact that it cannot make any real impact on the market until the spring. Having failed to expand output in the first two months, it cannot hope immediately to erode the 10 per cent price rise for the first quarter of the year decided upon by the majority of OPEC members.

The kingdom, meanwhile, is not optimistic about the chances of compromise at the next OPEC ministerial conference scheduled for July.

It would be prepared to settle for a 7 per cent increment according to the sources, but appears to accept that other producers, particularly Iran, cannot afford politically to lose face by coming down below 10 per cent.

Better weather conditions should result in Aramco exports averaging 10m. b/d in March.

No decision has yet to be taken on whether Saudi Arabia will attempt to raise its production target in the second quarter above 10m. b/d which is probably the optimum rate anyway.

BY HUGH O'SHAUGHNESSY

IN A fierce new political crack-down, Gen. Augusto Pinochet and the Chilean military junta have dissolved the Christian Democratic Party, the conservative National Party, and two smaller right-of-centre groups.

The move is seen as the logical outcome of Gen. Pinochet's decision, announced in December, to install a "totalitarian democracy" in his country.

The junta said that the decision had been taken because of the discovery of "subversive plans" allegedly prepared by two leading Christian Democratic figures for an opposition coalition which would seek to remove the Pinochet administration.

Cool welcome for Gandhi in Uttar Pradesh

By DAVID HOUNSOGO

MRS. GANDHI's strident campaign call through her home state of Uttar Pradesh shows employment. Mrs. Gandhi's strength lies in the tide of resentment against farmers and women brought by Congress unleashed since the from neighbouring districts.

Congress workers concede that

the party has lost the fervour

of its rural base in the

1971 election, and that

the organisation has grown

from being left idle during

18 months of emergency rule.

But they are putting a brave face

on the situation.

Her campaign advisers in Lucknow reckon that 27 of the province's 85 constituencies

are solid with Congress — a

higher number than most

observers give, but well below

the 73 seats she captured in the

last election.

But it is far from being in her home province both to gain a majority in this depth of the state by a swing in vote in favour of Congress factions after the results have been declared.

The part of the province considered most safe by her advisers is the rural belt around Lucknow, the capital of the constituency of Misra to the north of the city.

Congress is at a party of government and accept what Congress planning is to do.

"There is no patronage in the

beneficiary Clearing House

such local digit of votes

enormous.

But the villages one hears the familiar complaints of "forced

sterilisation.

The provincial planning issue is

at the root of the hostility to

Congress. Further feeding it are

the more run-of-the-mill com-

plaints against any government

— increases in the land tax, a rise

in the price of fertilisers and

blocks of water for irrigation.

adventure" and a man who during World War II advocated "fascist views."

UPI reports from Moscow: The Soviet Union to-day issued a further warning to the Carter administration that its intervention on human rights could jeopardise détente and Strategic Arms Limitation Talks (SALT).

The warning appeared in the authoritative weekly, international review of the Communist party newspaper Pravda

signed so far by some 300 intellectuals, artists and scientists.

The first-ever meeting between a visiting Western statesman and a Czechoslovak dissident overshadowed the visit and became a major embarrassment for the Czechoslovak regime.

Prof. Patocka became the subject of a veritable hate campaign.

He was attacked in a number of articles and television broadcasts as a "counter revolutionary," "anti-state element," a political

agent.

According to the announcement published in Santiago yesterday, the property of the four parties will pass to the government unless the statutes of the parties expressly state how such property is to be disposed of in the event of their dissolution.

In effect this means that the Christian Democrats' extensive

offices and other properties, which include Radio Balmaceda, a broadcasting station silenced by the junta in January, will be

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THE SINGAPORE GOVERNMENT AND THE FINANCIAL TIMES

J.S. Senkuttuvan

"I DECIDED TO SHOW THAT THE GOVERNMENT HAD BEEN USING VERY UNDEMOCRATIC METHODS TO KEEP ITSELF IN POWER. OF COURSE, I KNEW THIS TO BE UNTRUE."

The statement of Arun Senkuttuvan

As the Singapore stringer General of the Singapore National Union of Journalists, I have managed a small paper, Asian Finance. Previously I was staff correspondent of the Eastern Economic Review. I was arrested in 1963 in "Operation Coldstore," the biggest ever round-up of alleged communists and sympathisers. When 113 people were detained and held without trial, I was released in 1968 after promising not to allow himself to be used by Communists. Tan, a lawyer, was detained for three years and Fernandez, a former trade unionist, was detained in 1964 for "pro-communist activities." Had his citizenship revoked in 1968 and was released in 1973. I

Senkuttuvan then refers to several articles in the FEER and to two in the Financial Times which his statement says were "deliberately distorted" and which suppressed facts to discredit the Singapore Government.

Senkuttuvan goes on: "I discovered that despite Mahadeva's release from detention, he did not give up his pro-Communist views and activities. I myself was strongly against the government on matters relating to student activities, freedom of the Press and detention without trial. Raman and Mahadeva were strongly anti-PAP." [The People's Action Party has ruled Singapore since 1959.] "They recognised my anti-government sentiments and encouraged me to be daring in expressing myself in my articles. In fact I only required information and not encouragement, as I was fully capable of expressing my own views and slandering them against the government."

"I deliberately made use of my position as a writer to sacrifice of certain individual

ment as undemocratic, totalitarian, autocratic and oppressive. I relied heavily on half-truths acquired from my discussions with Raman and Mahadeva for my articles for FEER and the Financial Times. My anti-government writings have helped the Communist cause as I intended. The views expressed in my writings were very much in line with the Euro-Communist plot to portray the PAP as Fascist and get it expelled from the Socialist International."

The ruling PAP resigned from the Socialist International last year after Dutch socialists and members of the British Labour Party complained about the holding of people without trial in Singapore.

Senkuttuvan then refers to several articles in the FEER and to two in the Financial Times which his statement says were "deliberately distorted" and which suppressed facts to discredit the Singapore Government.

Senkuttuvan says he used the views of his contacts to show that there was no democracy in Singapore. "I knew full well," he adds, "that those who were detained were either Communists or deeply involved in the CUF activities to subvert the government."

The following sentences, Senkuttuvan says reflected Raman's view which he readily included in an article for the FEER: "It's (Singapore's) social cohesion has not been achieved without the sacrifice of certain individual

Government was fascist. I was PAP in the previous elections. I was fully aware that by writing this I would be supporting the Communist cause."

In 1964 the Government introduced "suitability certificates" for entrance to institutions of higher learning. The certificates were issued only after Special Branch clearance and were purchased for Singapore and that the lower income groups had benefited from the economic development as much as any other groups. But I distorted the facts to show that the Government was both oppressive and undemocratic."

Senkuttuvan says the wilfully misled readers into thinking the Singapore Government was dictatorial and could amend laws at any time without explaining why the Government had to amend legislation.

He also sought to convey the impression that the Government was suppressing the student movement.

I therefore presented the Government's move to reconstruct the students' union as a move to ban it. I also referred to the Suitability Certificates and said that the then Vice-Chancellor of Singapore University knew this was not true as Dr. Sreenivasan did not resign over that issue. In the article, I wrote: "The introduction of the certificates ensured that those known to have views differing from those of the Government never entered the university. This was not true for I knew that the real intention of the certificates was to ensure that Communists do not penetrate the university in sizeable numbers and use it as a place to recruit other students to Communism and to subvert the Government."

"By writing in this manner, I intended to show that the electorate voted against the numbered ballot papers.

"I knew that the Barisan Sosialis was still under direction to take the struggle to the streets and not to contest elections giving credit to the parliamentary process, and that other opposition parties did not have credible candidates to field," said Senkuttuvan.

Senkuttuvan then refers to the article "Mandate to Fight Communists" in the Financial Times dated December 30, 1971 (also reproduced below).

I often asked the government not to give the government

opposition political parties (I know this to be untrue except in the case of pro-communist United Front parties, and even so the Barisan Sosialis Party under Dr. Lee Siew Choh was allowed to contest).

b) Intimidation of voters (I know this to be nonsense, but repetition makes a lie appear like truth).

c) Students and workers had to fall in line or they get the stick (I deliberately said this although it had nothing to do with the elections).

Senkuttuvan's statement then quotes extensively from the article which, he says, was deliberately slanted. The statement says the reference to Singapore being a society where people are told what to do (and that those who do well are rewarded but those who do not get the stick) is untrue.

His statement adds that it was untrue to say that the reason for 51 of the 58 constituencies being uncontested in the 1968 election was the atmosphere of fear created by the fact that voters' identities were recorded on the numbered ballot papers.

Shamsuddin Tung is a working for foreign newspapers.

Political opponents'

Senkuttuvan concludes his statement by repeating that his aim was to portray the Government as fascist, undemocratic and intolerant of dissident views.

He told visiting foreign correspondents the detention of Communist and pro-Communist activists was detention of political opponents, not Communists.

He portrayed Singapore as a police state but omitted, says his statement, to mention the "intimidating methods of mass organisations" opposed to the government.

Senkuttuvan dates his resentment back to the closure of the Singapore Herald of which he was commercial editor. He did not believe the government's publicly stated reason for closing down the Herald and decided to express his resentment by working for foreign newspapers.

Operation Coldstore

My early impression of was that he was anti-fascist. However, when I knew him better, my impression changed. I came to know that he held strong pro-Communist views. He was associated with ex-members who were deeply involved in Communist United (CUUP) activities. [The CUUP is not a party but Singapore uses it to pass allegedly Communist government activity.] They were people like Mahadeva, Michael Fernandez, Tan Jin Quee, [A. de Souza, a former Secretary of the Singapore government] to portray the Singapore government.

Raman: 'The moment of reckoning arrives in the loneliness of one's cell'

Civil rights and the law

OUR FOREIGN STAFF

N. SENKUTTUUVAN is held under Singapore's Internal Security Act, originating from 1950. It is used to detain people without trial in the Malayan peninsula before Malaysia and Singapore became independent. Britain.

A key part of the act is on 8. Under it, a police officer can—without a warrant—arrest and detain pending trial any person who is to or is likely to act in any way prejudicial to the safety of Singapore.

A original act stipulates all detention orders shall subject to review by an authority at intervals of more than six months. Subsequent amendments to the extended the review

maximum of 24 strokes may be ordered by the court. Singapore abolished trial by jury for capital offences in 1969. Trial by jury in cases other than for capital offences was abolished in 1959.

Amnesty International says it knows of no political prisoners who have been tried before being jailed specifically on political charges. Prisoners are detained without trial usually on one basic allegation. That they are members or sympathisers of some branch of the illegal Communist Party of Malaya and thus pose a threat to national security.

Release from detention often comes after a confession and a recantation of communist sympathies, though some are tried on non-political grounds. Recently this has taken the form of televised Press conferences. In these televised Press conferences, which are preceded by written confessions, others are often implicated.

Leaders of parties who oppose the People's Action Party (PAP) in general elections have been detained. They have also in some cases been personally sued by Prime Minister Lee Kuan Yew for libel. The People's Action Party now holds all 65 seats in the Singapore Parliament and has ruled the island country since independence.

The exact number of detainees is not known. The Singapore trade union leader Devan Nair told the Socialist International last May that it was 64. According to his figures between 1960 and 1972, 661 people were detained of which 492 had been released within Singapore and 90 released and then proceeded to leave the country.

Many of the detainees have been held more than once. Amnesty International estimates that there are now at least 60 detainees—an increase of 20 over a year ago.

Detainees are often alleged to be the Government to be members of the Malayan National Liberation Front, arm of the Malayan Communist Party.

Very little is known about the current state of the CP in Singapore or whether it even still exists as an effective organisation.

The most recent batch of arrests was between February 10 and 15 this year. These included Arun Senkuttuvan who was detained on February 15.

Besides detaining a number of journalists the Singapore Government has also acted against newspapers.

Four members of the staff of the Nanyang Stang pau were detained in 1971. Also in that year the Singapore Herald had its licence revoked and closed down. The Government also forced the Eastern Star to close down.

In November, 1974, a local correspondent for the American magazine Newsweek, Pang Cheng Lian was fined \$51,500 on being found guilty of contempt of court following the appearance of an article in the magazine earlier that month.

Although a member of the United Nations, Singapore has also been tried by two high court judges. In February, 1975, eight men convicted of犯人罪 (offences against the law) were hanged in one year.

Singapore also has corporal punishment and the caning may be imposed for rioting, trafficking drugs, rape and certain forms of violence in addition to other punishments.

The following is an abridged transcript of a Press conference called by the Singapore Government and given on Saturday by detained journalist Arun Senkuttuvan and Lawyer G. Raman. Mr. James Fu, the Press Officer to the Prime Minister's Office, presided over the conference at the state-controlled television centre.

Question: "Mr. Raman, you are a lawyer by profession. What are your views on detention without trial under the Internal Security Act?"

Raman: "I had strong anti-views against Internal Security Act."

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Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

• PACKAGING

New-look bottle in a plastics skin

SAVINGS in many of the stages between container production and the presentation of a finished package on a shop shelf are possible with the introduction of the Plasquistield concept on the U.K. market by United Glass Closures and Plastics.

Although the system has been available in the U.S. for some time, this is its primary launch in Britain and United Glass is now installing special equipment at its Peaseley factory to make the corresponding bottles.

It is basically a very simple system since it consists of applying a pre-printed polystyrene sleeve to the bottle by a shrink-wrapping process.

But the bottle is made if light-weight toughened glass, which has been put through the Titan 20 process. This is thought to give the strongest surface finish to glass yet devised. Combined with the protection of the plastic shield, this initial toughness means that a very considerable weight saving is possible—from the weight of 22 ozs down to only 16 ozs for a 1-litre container.

• SERVICES

Clean air for hire

LAUNCHED by Advance Linen Services and making use of equipment made by The Plessey Company is a "clean air rental service" intended to keep the air fresh in conference rooms, canteens, work rooms and reception areas.

Plessey electrostatic air cleaners are to be made available at rental charged down to £2.95 per week, which includes installation, service and maintenance.

Available in 200 and 500 cu. ft./min. sizes, the air cleaners have three stages. Polluted air is drawn into the unit by a fan and first passes through a fine mechanical filter which removes relatively large particles like dust or hair.

In the second stage particles such as dust, tobacco smoke, pollen, oil mist and bacteria are electrostatically charged and subsequently attracted to plate stacks carrying an opposite charge. Finally the particle-free air is drawn through an activated carbon filter which absorbs odours.

In addition to the health benefits, cleaner air will increase the life of interior decorations, reducing cleaning bills for furniture and fabrics. Furthermore, because the air is being recirculated and not extracted for example through a window fan, savings can also be made on heating costs.

The cleaners will deal with most indoor air cleaning problems and are provided with a boost facility to deal with unusually high levels of pollution.

Advance Linen Services is at 77 Upper Richmond Road, Putney, London SW15 (01-789 6571).

• TEXTILES

Cloth rolls weigh less

A DEVICE which could save cloth merchants money by reducing labour, materials and freight costs has been designed and manufactured by Wira, the Leeds research and technical centre for textiles and clothing.

Holland & Sherry Group of London and Peebles principal subsidiary of Lincroft Kilgour asked Wira to solve the problem of rolling folded cloth prior to despatch to the tailor. Past efforts to produce mechanically the flat packs of folded cloths such as may be seen on the shelves of bespoke tailors have failed due to the different paths which the two layers of cloth take on a winding mandrel.

Wira's solution is to lay the cut length of cloth on a conveyor and pass it between constant ratio feed rollers to an automatic winding head which requires no boards at the core of the roll.

The task of responding to cut length orders is normally labour intensive. The new machine not only reduces labour time in producing the rolls, but also eliminates the need for boards and, with the consequent reduction in weight, reduces freight costs to the tailor or maker-up. The saving in air freight charges for overseas orders can be substantial.

Mr. G. Roberts, Engineering Manager, Wira, Headingley Lane, Leeds LS6 1BW. 0532 759071.

Oil feeds control

MANY knitting machines have problems with centralised lubrication for a number of reasons. It is essential for consistent working that precise amounts of lubricant be fed to moving parts. If needles receive too much, then soiling of the fabrics will ensue, and if insufficient is delivered then overheating and often permanent damage can be caused.

A completely new electric gravity oiler (EGO) for knitting machines has been introduced by Unilwave Inc. (75 Marine Street, Farmingdale, N.Y. 11735, U.S.) which has six individually adjustable positive displacement units. It is possible with these to oil each lubrication point with precise amounts from 0 to 12 cc per hour.

Each output is specially designed so that the oil is spread evenly throughout the oiling cycle. This avoids the problems linked with drop applications.

The lubricator is designed to operate on 24 volts ac and should there be a loss of power in the system the oil lines will automatically seal so that oil does not drip when a machine is not in use.

Electronic pianos

THE MICROCIRCUIT, more and more evident in the home and in radio, TV, calculators, and even washing machines, may revive the pre-war cult of the piano.

According to General Instrument Microelectronics (GIM), use of some of the MOS circuits it has developed can produce acceptable piano sounds via ex-

• SOFTWARE

Structured programs survey

INFOTECH'S year-long study and survey of structured programming, based on more than 300 respondents and a number of case studies has now been analysed and is soon to be published.

It contains some surprises, notably that well over 80 per cent of respondents using structured programming were not software houses or in the computing business, but in organisations whose prime business was not data processing.

The report indicates that structured programming users such as may be seen on the shelves of bespoke tailors have failed due to the different paths which the two layers of cloth take on a winding mandrel.

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• ELECTRONICS

Big memory price cut

NOW claiming to offer the lowest semiconductor prices in the industry is Hewlett-Packard, which has just announced a 30 per cent price reduction.

The memories are the type in use by the company since 1974 when HP became the first small computer firm to offer semiconductor memory.

The list price of 32 kilobytes of parity memory for an HP 21MX is now £1,150. The effect on the price of a new 21MX machine of typical size would be a reduction of about 12 per cent. List price of a 64 kilobyte computer for example is now £6,800 as against £7,700 previously.

But the impact on small memories is the most significant. The new price of a 16 kilobyte version of the recently announced K series, a "board level" member of the family, is 21 per cent down. More from King Street, Wimborne, Wokingham, RG11 5AR (0734 784774).

New devices in SOS

FOLLOWING the disclosure in late 1976 to the Technical Page that Hewlett-Packard had spent some \$20m to perfect the technology of producing tiny and ultra-reliable circuits in silicon on sapphire (SOS), the company has described a first SOS project at Cupertino, California.

It is a microprocessor of 16-bit architecture which contains some 10,000 transistors on a single chip within an area of only 34 square millimetres.

Instruction speeds run from 0.5 to 1.5 microseconds and the device has been optimised for control jobs. Maximum power consumption is 400 milliwatts and it combines low power consumption with fast operation and high density—all characteristics of the SOS techniques.

Over a period of a year, some 20,000 parts have been extensively tested and the company is highly confident of the consistency of performance to be obtained, and the Cupertino facility's ability to achieve good volume and yield.

No other products have been described, but it is known that several will be introduced and incorporated into company equipment this year.

More from HP at King Street, Lane, Wimborne, Wokingham, Berks RG11 5AR. (0734 784774).

Contract and tenders

UNIVERSITY OF BENIN TEACHING HOSPITAL BENIN CITY

TENDER FOR SUPPLY OF DRUGS

1. Tenders are invited from reputable drug houses for the supply of drugs to the University of Benin teaching hospital, Benin City, Nigeria, for the financial year 1977-78.

2. The tender schedules which are issued in triplicate are obtainable from the Director of Administration, University of Benin Teaching Hospital, Benin City, Nigeria, for the financial year 1977-78.

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4. The University of Benin Teaching Hospital is not bound to accept the lowest or any tender.

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HOME NEWS

Post Office will offer three new telephonedesigns

BY CHRISTOPHER LORENZ, ELECTRONICS CORRESPONDENT

AS that the Post Office is going to respond to outside pressure for a more aggressive telephoning policy have been strengthened by the announcement of a new range of special phone designs.

Now that the Post Office has been told by the Government to self-finance its new £150 million telecommunications annual investment programme, the Corporation will have to put more effort into marketing specialised products and services to help finance continued expansion of its traditional business.

Another likely area for expanded activity is the provision of recorded information services. A corporation long-range plan, Dr. A. A. L. Reid, said at the weekend that these already received hundreds of millions of calls a year, and seemed capable of considerable improvement and expansion.

One reason that it has taken several years to offer the three new telephone designs is because the Post Office wanted them to be British-designed and made, rather than imported. The Classic is being made by Standard Telephones and Cables, the Compact by the Post Office itself (assembling bought-in components), and the Mickey Mouse phone by Plessey.

All three models are on show at the Ideal Home Exhibition in London, where the Post Office is also offering a 25 per cent discount on connection charges for domestic telephone extensions (cut by £2 to £6 plus VAT).

The corporation regularly offers discounts on each charges and on initial installation charges in selected areas, as Sir William Ryland, its chairman, stressed on Friday.

fish-made

Three designs have been in some quarters as peripheral to the Post Office main business, but they prove the first is a much range of special terminal answers. Telephone companies in the U.S. and elsewhere for some years found such a source of additional revenue. There is also limited evidence to suggest that some subscribers to make calls.

Figures on London homeless challenged

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

DON COULD be heading for theousing disaster" in the next decline in London's population, according to a report shed to-day by Shac, the report challenges recent

that the falling population of London will solve the problem and says that lessness in the capital is at record levels.

claims that the number of people without homes in the area is being significantly under-recorded in official figures because many people apply for help, knowing are ineligible for assistance.

In another report issued by the Campaign for Single Homeless People calls for the introduction of a £50 a week statutory minimum wage to protect people in employment and prevent them from "declining into active poverty."

Report attacks direct labour department

OUR BUILDING CORRESPONDENT

CONFIDENTIAL report pre-control resulting in losses to Lambeth Council in its ratepayers of millions of pounds, on the activities of its labour department reveals adds, the council admits that it has been able to save £1m on housing repair work alone as a result of a cost-cutting exercise.

The federation claims the report reveals "lamentable stores of recording," lack of inspection before and after work had been carried out, bogus timekeeping by workers, had control of sub-contractors and unnecessary expense.

A spokesman commented: "Despite the evidence of open pilfering and false claims, the activities of the departments are not according to the report, Lambeth is going to be referred to the on a lack of cost police."

Earnings rise forecast

3 per cent rise in earnings for the year from the end of July is expected, though cuts in local authority spending are forecast.

Consumer spending is projected to rise nearly 1 per cent in 1977 and nearly 3 per cent next year.

Car glue defended

British Leyland said yesterday it had agreed on a few Princess and Allegro models when replacement parts were not available because of a strike had been extensively tested. The parts were available now that a dispute which had hit supplies was over.

Ethylene plant

ESSO CHEMICALS is not expected to take a final decision until late next year or early in 1979 on whether to go ahead with its proposed 600,000 tonnes ethylene plant at Mossmorran, Fife.

Early ship

Appledore Shipyards has handed over its latest vessel, Cumbria Shore, two weeks early. This completes a £7m. order for three new vessels for Offshore Marine. The yard has a £20m. order book.

Bill of Rights

A domestic Bill of Rights for Britain would fundamentally change constitutional arrangements, says the Law Society's Law Reform Committee. The committee says a Bill of Rights would "shift the centre of gravity of the constitution away from Parliament towards the judiciary."

Labour bid to control MPs fails

By Ray Pernell, Scottish Correspondent

THE LABOUR Party's Scottish Conference voted overwhelmingly yesterday against a proposal to give local management committees much greater control over MPs and councillors.

The resolution, from the Edinburgh North and Central Ayrshire Constituency parties, would have enabled activists to summon elected members at any time to account for their actions. They would also have had to make annual declarations of their assets and incomes.

The move was strongly condemned by Mr. George Robertson, Scottish chairman, who described it as putting further barriers in the way of the few people who were willing to stand for office.

Goodwill

Mr. Ron Hayward, general secretary, criticised those who joined the party and within weeks tried to destroy the goodwill built up over years by the MP.

During the conference, Mr. Bruce Millan, the Scottish Secretary, announced a new subsidy of up to £55m. over five years to enable the South of Scotland Electricity Board to burn Scott coal.

Without this money, the Coal Board had estimated that 8,000 jobs could be at stake, he added.

Prefer

Some shopkeepers are concerned that stocking such packs

Fine Fare rejects packs bearing discount coupons

BY ELIJAH GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

THE FINE FARE supermarket chain has ordered its buyers not to accept any products which are supplied with coupons for other products on the pack.

This follows a recent court case in which a small shopkeeper was found guilty of an offence under the Trade Descriptions Act because he refused to accept a money-off coupon given to him to ban deliveries of all cross-coupon packs.

Supplies

A number of other groups are also studying the situation. The attitude of many retailers has been that they prefer price cuts to coupons.

The court's decision has thrown the issue of cross-couponing into focus. This form of promotion, frequently used by companies with large product ranges as a relatively cheap way of boosting sales, has never been liked by retailers, though they get an allowance for handling coupon.

The prosecution in Staines was initiated by a Weights and Measures officer. Mr. Bob Windsor was fined £10 and ordered to pay £10 costs. After the case the Weights and Measures officer said it appeared the Trade Descriptions Act in shops were bound to accept coupons. Some retailers feel worried that they could be prosecuted if they either did not usually sell the product for precedent.

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Building and Civil Engineering

£6½m. motorway job for Cementation

CEMENTATION Construction km. of 7.3 metres width and has been awarded a contract about 0.9 km. of dual carriage-width, about 4 km. for the way which is to be constructed for the second stage of the multi-level diversion of the A39 together with 10 road bridges and other Monkland MS motorway on the ancillary works.

outskirts of Glasgow. Consulting engineers are Babtie, Shaw and railway crossings, two being of single span and one of three spans. Of the remaining bridges, three will be of three spans, one of five spans, one of six spans, one of seven and one of 14 spans varying between 12.5 metres and 7.3 metres, but increasing to 31 metres. Most of the major structures will be of reinforced concrete with 3.3 metres wide hardshoulders and 0.7 metre wide hardstrips.

There will be about 2.6 km. of metres of embankment construction roads 7.3 metres wide made of fill from within the with 3.3 metres hardshoulders. works and from other sources. Slip roads will amount to 1.3 will have to be undertaken.

Coal plant work

LARGEST of two National Coal Board contracts awarded to other works. The second NCB Henry Boot is for civil engineer contract is worth £40,000 and is works in connection with two reinforced concrete new coal preparation plant at tanks, roadworks and drainage Shirebrook Colliery, near Milton Keynes. Henry Boot

is to complete the second main south-to-north road and provide by Simonac (Carlisle) in access new shopping areas. Con- co-operation with the NCB and construction of the road, to be included in Henry Boot's known as Saxon Street, will cost £712,000. contract are trestle £560,000 and will call for 750 foundations for the conveyor metres of single carriageway.

Housing in Leeds

THE CITY of Leeds has awarded two contracts for the construction of traditional houses at a total value of nearly £2m. to George Wimpey.

Larger of these is for 129 two-storey dwellings on four sites in West Leeds known as Worley Oldfield Street, Armley Height, "D", Moorside Garners Hill and Bramley Broad Lane.

The other contract is for 77 traditional dwellings in two-storey units in Kings Road, Burley, Leeds, including 63 houses in a variety of types and 14 two-bedroom three-person flats.

Work on both contracts starts in April and is due for completion in the summer of 1978.

At Maidstone, Kent, Wimpey is to build a £363,000 extension to a warehouse for Courage (Eastern).

The structure will have a steel frame with metal cladding, patent glazing to the upper part of the walls and faced brickwork and blockwork to the lower walls, with asbestos roofing.

Work has just started and is due for completion in June, 1978. Architect is W. Longstaff.

Housing and piling work

BRADFORD Metropolitan District Council has awarded Joseph Cartwright a £1.7m. contract to construct 116 dwellings at Wyke.

This project calls for two-storey dwellings with traditional

superstructures on foundations designed especially for areas where there are mine shafts. Completion is due in April 1978.

When completed, the development will link with an adjoining estate of 59 dwellings upon which the company is already well advanced.

For the Wexford Water Authority the group's civil engineering and piling company, Davies, Middleton and Davies is to carry out flood prevention work estimated to cost £120,000.

The work on the Siston Brook at Cheltenham, near Bristol involves land drainage, channel improvements, bridge underpinning and construction of retaining walls.

In South Wales, a piling contract worth £45,000 has been won for the construction of an off-shore structure and sheet piling for a surface water outlet pumping station and industrial structure. This work is in connection with the Duffryn housing project at Newport, Gwent and starts on April 1.

Mortar in colour

RMC MORTARS, a member of the Ready Mixed Concrete Group, is to market coloured mortar in bags.

It will be called Colormix and in addition to the normal constituents of lime, sand and colouring agent will also contain the cement. It will be only necessary to add water on site.

Colormix is to be available in thirteen colours.

£3m. worth for Jarvis

SEVERAL contracts, valued at nearly £3m., have been awarded under the Sainsbury supermarket is to be built in Newcastle-under-Lyne, Staffs.

In the north-west, Jarvis is to carry out minor extensions to Boddington's, Stockport, Manchester, to the Division, has awarded a £2.5m. contract to A. H. Brotherton and Partners, in Liverpool, an area to lay an oil pipeline linking the Grains and Kingsnorth power stations on the Isle of Grain in Kent.

The seven-mile welded steel pipeline will be 18 inches in diameter and is intended as a secondary source of oil supply to the new Grain installation.

Oil tankers will moor at Kingsnorth's oil reception jetty and will be able to discharge into receiving tanks at the station.

The oil will then be pumped through the new pipeline to Grain. Because the fuel is a high-viscosity residue of it will have to be heated to a temperature of 150 degrees F before it can be pumped into the insulated pipe.

Work has just started on the contract and completion is scheduled in the summer of next year. L. G. Mould and Partners are the consulting engineers.

In Yorkshire, Laing has been awarded a £797,000 contract to extend a carpet factory.

Work, which has already started, involves erecting a 150-foot by 114 feet building for the East Anglian Health

Oil pipeline contract

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Development and Construction

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the sinews of industry
CRENDON
precast concrete structures

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Mixed bag of jobs

THE BIRMINGHAM CONSTRUCTION has been awarded a batch of contracts amounting to some £2m. to expand the Reed Paper

Building at Kingsnorth power station, for the Central Electric

site Generating Board to a value of around £800,000 and a scheme to expand the Reed Paper

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The Executive's and Office World

EDITED BY JOHN ELLIOTT

Christopher Lorenz reports on moves to protect computer-held personal information from misuse

Critical costs of computer privacy

IN THE past six months, danger of being infringed. The leading organisations forthcoming legislation is expected to suggest all sorts of new rights for computer users. The possible procedures for computer users of legislation, about to be proposed and which is intended to protect the privacy of personal information held on computers.

One of the most forcible cases put forward by LAMSAC, a committee representing local authorities which argued that there should be no misreading of the "enormous costs" it could be involved in implementing regulations having realistic rather than practical origins.

The need to protect computer information from misuse by the file-holder himself or by outside organisations became an issue of concern in the late 1960s. After several private bills were put forward in 1970 "Justice" (the British section of the International Commission of Jurists), drew a general report on the way to formulate detailed legislation. The Committee's task is to put flesh onto the bare bones of the 1975 White Paper.

This laid down a series of general principles, including the creation of an independent agency to oversee the use of computers handling personal information. But it left open many key questions, including whether the so-called Data Protection Authority should simply play an Ombudsman type of watchdog role, or whether it should have tough powers to license such computer systems, and to enforce compliance.

The Committee has now virtually completed the collection of written material, and will soon be taking oral evidence. It might begin to prepare its proposals in the autumn, with a view to completing its report around the turn of the year.

There are two aspects to the debate about "the cost of privacy." One is the running cost of the protection authority itself, which would probably be recovered through licence fees if the authority were to have licensing powers. Secondly users would also have to bear the burden of any changes they had to make to their existing computer installations, in order to meet the wide range of requirements which may be demanded by legislation.

Individuals are inaccurate or out-

date, their privacy is in important aspects associated with

accuracy, making more frequent checks on the accuracy of personal information; updating it more often than before; destroying all or part of it after a limited period; and providing print-outs of information on individuals whenever requested by the person involved.

The White Paper itself avoided any forecasts of likely costs. The lawyer most heavily involved in its drafting, Mr. Paul Sieghart, was almost equally vague in a book he wrote recently on "Privacy and

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Central is intending to submit a detailed study of the likely costs of the various privacy options for a wide range of British computer installations.

In view of the fact that 14 countries, plus several international organisations, are considering legislation on computer privacy, or have already enacted it, it is surprising that there seems to be only one conference organised by BIS Applied Systems. Mr. Ellison said there were signs that the widely accepted research study on the subject.

Carried out by Robert C. Goldstein of the University of British Columbia, it relates to costs, will be uppermost in

blame that legislation for putting up their costs, perhaps in dramatic fashion.

By contrast, many other computer systems containing personal data may already be so secure that privacy legislation will add little to the cost; and the banks could be an example of this.

"The costs of privacy legislation relate largely to those costs we ought to have incurred anyway for security, and the additional costs for privacy will be small," Mr. Gerry Fisher, president of the British Computer Society, told the conference.

This angle on security was a new factor to emerge in the privacy debate, he said.

Accuracy not assured

Mr. Fisher went on to examine what, for some users, could well be the second most expensive aspect of privacy legislation, the printout requirements for individuals. If users had to pay extra to printout information, it would mean that they could not ensure that the information is accurate at present, he said. "If we need to do this just because of the privacy legislation, we ought to be ashamed of ourselves."

Even if some users see this as a gross oversimplification, they may be somewhat reassured by suggestions that legislation could be enforced gradually, and with considerable flexibility. A gradual and selective enforcement by a licensing authority would spare many users from expensive adaptations to their old systems; instead, the necessary facilities could be built cheaply into new ones when the old were replaced.

Many of the White Paper's critics have also overlooked its underlying approach of flexibility. On the sensitive printout issue, for example, it does not argue that all "data subjects" should always be provided with print-outs, as has been implied by some people.

Instead, it suggests that the best way for an individual to check the accuracy and relevance of the information held on him will, in many cases, be for him to have the opportunity to see it, check it and, if necessary, have it corrected. Although this may prove a costly prospect for some companies, it will not be of much use. They may be forced into it by part of the forthcoming privacy legislation, in the astronomical proportions that which case they will probably have been suggested.

ACCOUNTANTS and corporate lawyers from the U.K. are in particular demand on the international executive labour market, it is claimed by Dr. Joel H. Markus, a managing partner of Zurich-based international consultants, Dr. Egon Zehnder and Partner. He thinks it would do their employers a lot of good to attract real talent from abroad.

Whether or not the brain drain is balanced out in the long run, British executives are seen as a worthwhile acquisition for a number of reasons. The U.K., Markus claims, is a very good school for managers, offering special expertise in the financial and various professional fields, an excellent international grounding, good schools of management and—ironically enough—the advantages of working under economic crisis conditions, with the resultant necessary experience in inflation, accounting, cash flow management, foreign exchange questions and the like.

British executives are also widely seen as being reliable, honest and fair and less subject than some other nationalities to company intrigue. They frequently also bring with them experience of working in a really large company.

The language question is both a blessing and a drawback. A blessing because English is to-day the language of world business and a drawback because it is hard to find Britons speaking other languages well. The less rigid approach to business, also an advantage in some ways, makes life rather difficult in stricter corporate societies like those of the German-speaking world or Japan, with more rules to abide by and generally tighter reporting requirements.

British executives tend to be less mobile than their American, German or French counterparts—"Don't confuse mobility with brain drain," says Markus. The typical U.K. manager is more loyal to his company, generally speaking, and likes to feel at home in his job, so there is a shortage of good executives wanting to change their employer. Typical age groups for the current brain drain are 30 to 37 years of age and the 45-55 range—the latter being harder to please; the in-between 38-45 group tends to have children at school and may be working its way up through the organisation.

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MONDAY, MARCH 14, 1977

Planning for change

IF THERE is one thing the Government should have suggested that the Post Office learned from past controversies over factory closures, it is the need for caution in public statements by Ministers. The natural desire to find scapegoats (especially if they are profitable private sector companies) and to lend moral support to proposals for worker co-operatives should be resisted, because it will raise false hopes and make a difficult situation worse. This applies with particular force to Plessey's recent announcement that it is to close three telecommunications factories with 4,000 redundancies. A Minister in the Department of Industry has criticised the company for not developing new products which would have provided alternative jobs. The Government has commissioned an inquiry into the reasons for the cuts in Post Office orders and even Sir Harold Wilson was joined in the fray by attacking the Post Office's forecasting methods. In the meantime "work-ins" are in progress at the Plessey factories.

Worldwide

It has been known for a long time, and extensively publicised inside and outside the industry, that the manufacturers of exchange equipment for the Post Office—GEC, Plessey, and STC—would have to shed large numbers of their employees. This is the inevitable consequence of the shift from electro-mechanical to electronic equipment and is a worldwide phenomenon; companies like Ericsson in Sweden and Western Electric in the U.S. have been going through the same painful process.

There had been hopes that the contraction in employment could have been spread over a number of years and achieved mainly through natural wastage. But two factors have upset these calculations. First, the severe recession obliged the Post Office, like its counterparts elsewhere in the world, to cut back its forward ordering in the autumn of 1975. A year later—and this is special to the U.K.—the Post Office revised its internal forecasting methods, life-time employment, the right concluded that it had more surplus capacity than had previously been supposed and cut back its requirements even further. The way in which this technological changes whose decision was arrived at and communicated to the industry can be predicted with a fair degree of accuracy.

"Special" means relaxed

PRESIDENT CARTER revived for both those countries to the phrase "special relationship" during Mr. Callaghan's visit to Washington last week risked rekindling their own—just as Mr. Nixon did when he first visited Britain as President in 1969. There is nothing very surprising about that. It is at least mildly gratifying to the British politicians concerned and it is not even wholly inaccurate. Relations between the U.S. and the U.K. are easier—in the sense of being more relaxed—than (say) relations between the U.S. and France, or even between the U.S. and West Germany or Japan. The U.S. connection is ultimately just as important to all those countries, but the relationship is frequently subject to strain. The British, by contrast, are always anxious to smooth things over.

Mr. Callaghan's visit was the proof of that. There were outstanding issues between the two sides—Concorde, transatlantic flights and the management of the international economy are all examples. None of these issues has been resolved, but they have all been played down. For Mr. Callaghan that was the right thing to do, especially in these early stages.

On the other side, President Carter's easier international meetings have come first. Mr. Fukuda, the Prime Minister of Japan, is due in Washington at the end of this week, and Chancellor Schmidt of West Germany should follow, although Mr. Carter seems unlikely to see President Giscard d'Estaing of France before the economic summit in London in May.

The issues between the U.S. and Germany and Japan will be much harder to brush aside. President Carter has already let it be known that he believes that the way to maintain international economic recovery is

Human rights against U.S. interests

The indiscretions of Mr. Andrew Young

The African conundrum for President Carter

By BRIDGET BLOOM, Africa Correspondent



Mr. Cyrus Vance

Mr. Andrew Young (left) meets President Nyerere during his African

AFRICA still has Washington puzzled. "We're crossing our fingers that Africa will stay on the back burner for a bit longer. We're running with the ball, we've got lots of ideas, but they haven't come together yet." That was how a senior official in Washington, who only a few months ago was spending most of his time in Plains, Ga., replied to questions on the Carter Administration's Africa policy.

The European visitor to Washington, anxious to know which way the U.S. is going to come down on Africa, finds a confusing scene. The continent, and especially its southern tip, is the third or fourth foreign priority of the new Administration and there have been plenty of statements on Africa, especially from the new and controversial UN Ambassador, Mr. Andrew Young. Yet there is no overall policy so far. Partly that is so because the Administration is only six weeks old, there have been many personality changes, and time is needed to shake down. Partly, also, it is because the situation in Southern Africa is itself confused.

But very soon, even if there is no crisis in Africa itself, decisions may have to be taken. On March 17, President Carter is to address the UN. Shortly after that, the chances are that Mr. Young will preside over a Security Council debate in which African states may well call for full economic sanctions against South Africa—the sort of proposal which in the past has provoked an automatic U.S. veto. The new administration is undoubtedly more inclined to be tougher than its predecessor with the remaining white Governments in southern Africa and would like to make a break with the past. Its first dilemma is that though there are differences of style and tone, there is little disagreement with the basic African aims of the previous Administration.

If there is to be a break with the past, it is more likely to be with South Africa, which despite President Carter's concern for human rights, has not yet received major public attention. Both the President and Mr. Young have said that they want to see majority rule in South Africa—which is of course anathema to Mr. John Vorster, the South African Prime Minister, and his colleagues. Mr. Young, even said the other day that he thought there might be majority rule there in ten years. However, the real question is whether the new administration will formulate policies designed to push South Africa along the majority rule road.

Dr. Kissinger carefully avoided doing so, mainly because he believed it would hamper his main strategy which was to get South Africa to pressure Mr. Ian Smith to transfer power to the black Rhodesian majority. Dr. Kissinger clearly decided to limit his criticisms of apartheid just as he preferred not to speak out on the Russian dissidents. His hope was that by sidestepping the rule of

moral issues he would get key

Last month Mr. Young visited Africa as the President's special emissary, meeting over dozen heads of State on a fact-finding tour. His statements, which have ranged from a condemnation of Mrs. Helen Suzman of on South Africa? So far he has not, but a key to the future may lie in the interaction of the personalities now responsible for African policy. Com

pared with Dr. Kissinger's essentially one-man band, there are now a plethora of people involved, from the White House itself, the National Security Council, the State Department, and Mr. Young's UN mission.

Mr. Young is at the centre of much speculation in Washington—and in Africa—as to his actual or potential power. The first black congressman from the Deep South, a noted civil rights leader, minister of the church and very important, a close friend of Mr. Carter's, Mr. Young insists that he is working to Mr. Vance, a man in a more conventional mould whose measured tones contrast sharply with Mr. Young's outspokenness.

President Carter

Mr. Young maintains (as do others close to him and to President Carter) that while he, Mr. Vance, and Mr. Zbigniew Brzezinski (whose National Security Council still has no Africa specialist) are all key

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FINANCIAL TIMES SURVEY

Monday March 14 1977

JEP/1977

PORTUGAL

Dr. Mario Soares, the Portuguese Prime Minister, is managing to pilot his way through many of the political and economic problems that beset the country. Free elections have been accomplished and EEC membership is a long term ambition.

Carnation Revolution of April 25, 1974 - Decolonialisation - Demilitarisation - Development - the first two have now been successfully accomplished.

But the two years of revolutionary socialist experiment that followed the April coup have rendered the third - "In development, even more difficult. The economy is in tatters, and only massive foreign financial aid will save the country from bankruptcy. The signs are that the majority of the Portuguese people have grown tired of constant political turmoil and are ready for a more ordered existence. But the anarchic attitudes that erupted with the overthrow of the oppressive Salazar-Castelo regime are not going to be easily transformed into the dedication to hard work and self-sacrifice that Sr. Soares is now prescribing as the only way to save the country from economic and financial collapse.

Most of the country's present problems, of course, date from long before the Revolutionary free-for-all in which workers and peasants staged mass takeovers of farms and factories. The popular movement was the inevitable backlash to the long years of Salazar's rule in which virtually no effort was made to modernise the country's backward agriculture, redistribute wealth or improve basic educational and social structures. In the last years of the old regime, with industry in the hands of Government-backed private expropriation programme, some 3 per cent. of the land has been returned to its former proprietors and the

owners of nationalised com- and the majority of the Armed Forces behind President Eanes, are either to get them back or receive compensation if they can prove they were wrongfully dispossessed. A to push through his economic basically Socialist economic programme without failing foul of the 1976 Constitution, which forbids his right of the Communists, large-scale denationalisation, who won just under 15 per cent. But some scope is to be left for private enterprise and the next step: eagerly awaited by the business community, will be a law clarifying the borderline between the public and private sectors.

The Prime Minister's success or failure in getting the economy back on its feet will be crucial not only for the future of his own Government but also quite possibly for the future of Portuguese democracy. Sr. Soares's minority Socialist Government knows full well that it only has limited time to produce results before powerful elements in the Armed Forces decide that it can be allowed to go on no longer. If that point were to be reached, one answer would be to bring one or both of the two main democratic opposition parties to his right, the Social Democrat PSD and the conservative CDS, into the Government alongside him. But there would also be a growing chorus of Right-wing voices arguing that the democratic experiment had failed and the time had come for a return to military rule.

For the moment, the President, General Antonio Ramalho Eanes, is still behind Sr. Soares, though he has sometimes

tour of the Nine later this month. For their part, the Nine Portuguese Agricultural Confederation has come out in favour of starting a new round of Community membership, but it has stressed the need for major structural reforms first and warned that these may take 10 to 15 years. On the industrial side there will obviously be problems too, particularly for small and medium-sized companies that have little or no experience of foreign competition. But the Federation of Portuguese industry is confident that a number of important sectors - including textiles, wood pulp, metal-working, car components, foundries and machinery - will be able to meet the challenge. Greater use could also be made of the country's sub-contracting capacity.

Negotiations

But all Nine Governments

seem to appreciate the dangers

of a rebuff to Lisbon, and they

will probably welcome the

General Eanes in last year's approach at a political level

while underlining the economic

problems. This should be

enough for Sr. Soares, who is

basically interested in a general

acknowledgement of his

country's right to become a

member at some time in the

future. The state of the economy

and act as an economic incen-

tive. The Community's demo-

cratic requirements should

exercise a restraining influence

on anyone tempted to try to

turn the political clock back, he

believes. As for the economy,

once it is clear that Portugal

is going into the Community,

the nation will simply have to

pull itself together. But the

which time tariffs are in any

average Portuguese as yet pro-

bably has little real idea of

country's existing free trade

agreement with the Community.

The country's backward and

far too early to tell whether Sr.

Soares's faith is justified.

For the moment, however, Sr. Soares's aim is to give the country a medium-term objective of that will both strengthen the foundations of democracy and act as an economic incentive. The Community's democratic requirements should talk in terms of starting negotiations early next year on anyone tempted to try to with a view to membership in three to five years' time. With a five-year transitional period, once it is clear that Portugal is going into the Community, the full-blown of EEC competition until the mid-1980s, by pull itself together. But the

case due to disappear under the

average Portuguese as yet pro-

bably has little real idea of

country's existing free trade

agreement with the Community.

It is, unfortunately,

the disrupted agriculture will cause Soares's faith is justified.

Legacy

The Salazar legacy and the upheavals of the Revolution have left Sr. Soares with an enormous task if he is to fulfil his aim of integrating Portugal both politically and economically into Western Europe.

Now, after seven months in office in which he was frequently criticised for procrastination, he has finally started grappling with the problem with a major package of austerity measures announced just over two weeks ago - a package that signals a further clear move back towards the principles of the market economy under the watchful eyes of the International Monetary Fund.

Gradually, too, he is trying to mitigate some of the more extreme consequences of the wave of disposessions and nationalisations that followed the Revolution. Although he is pushing ahead with the land

with industry in the hands of

Government-backed private

monopolies, 3 per cent. of the

country's farmers owned two

or more farms and

the aims of the red

Upheaval

The Communists have also threatened major social upheaval if Sr. Soares were to seek 35 per cent. popular support. The

or the CDS, whom they describe

political future on a favourable

basis as "reactionary Fascist forces."

reply to the formal entry appli-

cation he plans to lodge in

the biggest single party, has

Brussels on completion of his

disrupted

negotiations.

One issue that unites all

three Parties is Sr. Soares's drive

to take Portugal into the EEC,

for which he liked to claim 85

per cent. popular support. The

Prime Minister has staked his

future on a favourable

basis as "reactionary Fascist forces."

reply to the formal entry appli-

cation he plans to lodge in

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FOR MORE INFORMATION ON THESE AND MANY OTHERS, CONTACT:

THE PORTUGUESE GOVERNMENT TRADE OFFICE

TEL: 01-834 3903 TELEX: 918089

PORTLAND HOUSE, STAG PLACE, LONDON, S.W.1.



PORTUGAL II

Business with Portugal goes a deal better with the right interpreter

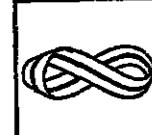
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ECONOMIC RECOVERY IN PORTUGAL

On 25th February, the Council of Ministers of the Portuguese Government decreed a package of important economic and social measures aimed at revitalising the Portuguese economy.

In order to give an overall idea of the measures that were adopted, a summary of the most important legislation that went into effect at the beginning of March is presented below:

—A 15% devaluation of the escudo so as to prevent future fluctuations. The escudo is now linked to the group of currencies of the countries with which Portugal maintains close trade and economic relations. This measure will make Portuguese products cheaper and hence more competitive abroad; it will thus benefit exports and consequently increase output. On the other hand, it will also stimulate tourism as well as investments made by emigrants.

—A rise in the rediscount rate of the Bank of Portugal from 6.5 to 8%; rates will be adjusted to the volume of responsibilities of the banks.

—The whole interest rate structure of the credit institutions, for all types of operations, was also readjusted.

—Creation of a fund to guarantee exchange risks with a capital of one thousand million escudos and approval of the statutes thereof.

—New forms for the total or partial use of deposit accounts by depositors before the end of the terms thereof, as well as the issue of nominal securities representing such accounts. Subject to prior agreement with the credit institutions, depositors may also withdraw funds from their deposit accounts before the end of the stipulated period, in this case receiving lower interest rates.

—Creation of conditions for the opening and movement of deposit accounts in escudos by emigrants, without the systematic need of the authorisation of the monetary authorities.

—Restructuring of the Portuguese credit institutions in France with the objective of integrating those branches which prove to be more adequate and which, in principle, will be granted an autonomous management.

—The issue of 15 thousand million escudos in Treasury Bonds with annual interest rates ranging from 4 to 14 per cent.

—Increasing the rate of Treasury Bonds from 10 to 11.5 per cent.

—Orders given to all nationalised credit institutions to adjust, in proportion to the official depreciation of the par value of the escudo, the counter-value in escudos of exports that have given rise to credit operations carried out before the date of devaluation and the payment of which, by the importer, has not yet taken place.

—Fiscal benefits for companies exporting goods or services.

—Elimination of the period of time applicable to the drawback system in order to speed

things up at the Customs. The surety rate is reduced from two to one per cent.

—Facilities in the reduction of, and exemption from, customs duties.

—Temporary dispensation from payment of the overall emolument of 0.2 per cent ad valorem, collected by the Customs.

—Restrictions on imports of less essential goods and an increase in the number of non-essential products subject to the surcharge of 60 per cent, with a view to restoring the equilibrium of the balance of trade.

—Alteration of the sales tax as well as the revision of the composition of the lists annexed to the respective code.

—Possibility of making use of the provisional value of indemnities for shares and securities of nationalised companies, to settle debts to the social security system, the State or credit institutions, which otherwise could not be settled.

—Indemnity to be paid to foreign individuals or companies that owned assets of any kind that were nationalised or expropriated after 25th April 1974.

—Economic, fiscal and financial aid for viable firms with financial difficulties. This aid may even include tax reductions or exemptions.

—Re-assessment of the assets of firms in order to show the capital gains resulting from monetary devaluation.

—Regulations for companies that are being managed by the workers themselves.

—Creation of the "shopping basket", made up of products considered to be of prime importance to the consumption of the general population and whose maximum prices are fixed for a period of twelve months.

—Increased unemployment subsidies in relation to the national minimum wage, as well as the up-dating of retirement pensions.

—Extension of the social security system to cover the self-employed.

—Submission of request to sign the European Agreement on Social and Medical Assistance so as to protect Portuguese emigrants.

—Enlargement of the Emergency Agricultural Credit, as well as the maximum amount of loans guaranteed by the Institute of Small and Medium Industrial Firms.

—Changes in the cereals set-up, with the nationalisation of the system of fixing the prices of flour products.

—Establishment of new principles for the meat marketing system.

—Extension of the limits of Portuguese territorial waters to 200 miles.

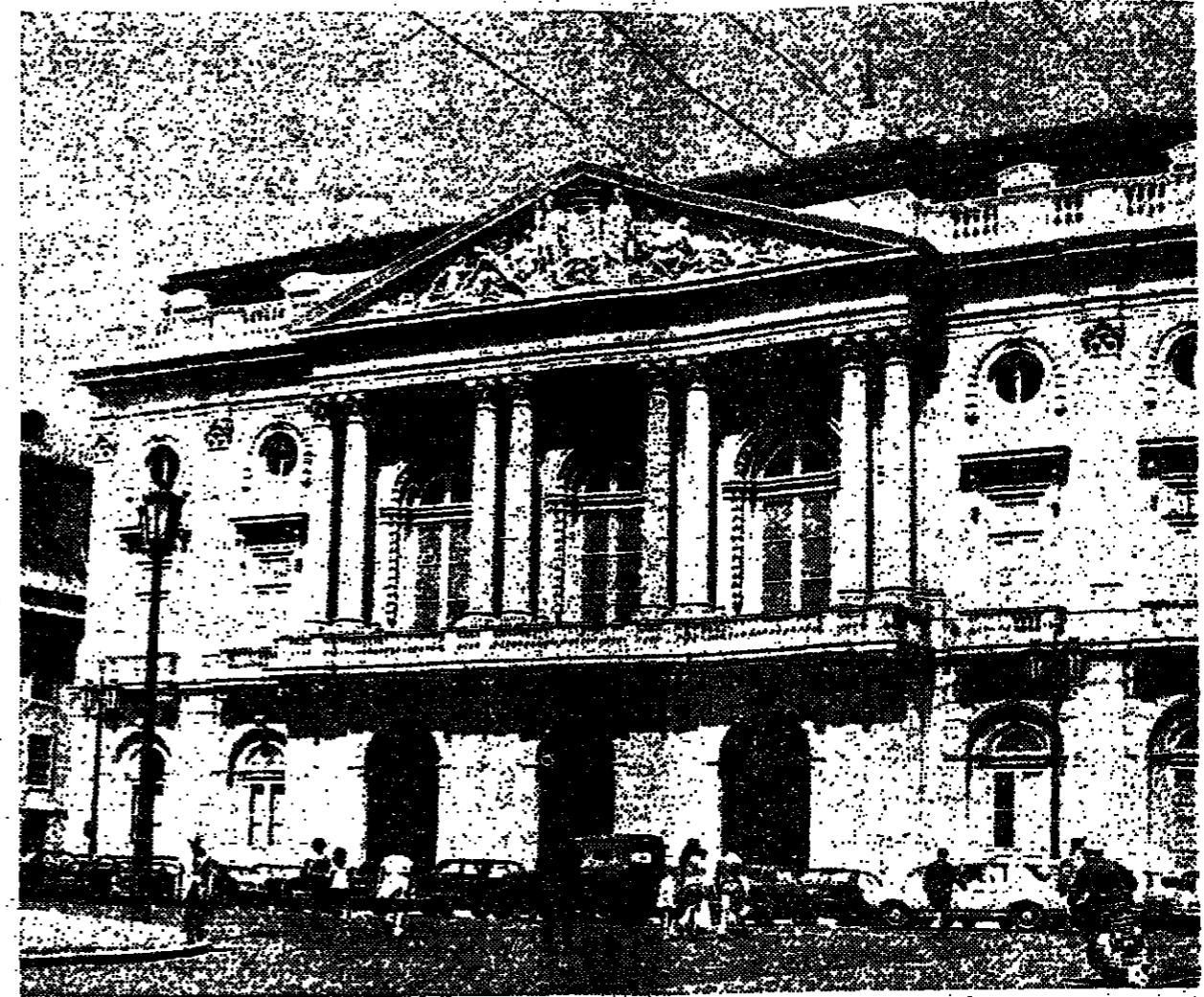
—Establishment of principles for the compulsory use of Portuguese ships or vessels freighted by Portuguese shipowners in exports or imports carried out by public bodies.

Drastic moves to avoid economic disaster

AFTER SEVEN months of hesitation, the Portuguese Government last month finally acted to try to head the country away from economic and financial disaster. The major economic package announced by Sr. Soares at the end of February, including a 15 per cent devaluation of the escudo, came after repeated calls for urgent action from both inside and outside Portugal. Washington, which is lending the country \$300m. on an emergency short-term basis, the OECD and the IMF had all been pressing Sr. Soares to take a firm grip. The same point had repeatedly been made by President Eanes, who said in a much quoted remark in his New Year address: "If we do not overcome the crisis, the crisis will overcome us."

There was clearly little time left to act if Sr. Soares wanted to maintain his Government's domestic and international credibility. By the beginning of the year, the balance of payments deficit was running at an annual rate of \$1.3bn. against \$1.1bn. last year, and way above the Government's initial target of only \$300m. for 1977. Foreign exchange reserves had dropped to a paltry \$140m., and although the country still held considerable gold reserves (worth roughly \$2bn. at current market prices), the Government was understandably reluctant to dip into them. Not only are the gold reserves seen as final line of defence, to be used only in the utmost emergency, but any major sales on the sensitive gold market would risk driving down the price.

In the weeks preceding Sr. Soares' action, inflation was running at an annual rate of 18.20 per cent, according to official figures. In fact, with food prices soaring in January, the rate may well have been considerably higher. Last year's rate, at 26.8 per cent, was the highest in the OECD. The difficulty of establishing reliable statistics in Portugal is notorious—particularly for the cost of living, in view of the wide divergences between



The Bank of Portugal's building in Lisbon.

different regions. Unemployment, to his original aim of cutting inflation back to 15 per cent this year in view of the economy's heavy dependence on imports, had by early in the year reached an officially estimated 16-17 per cent of the active labour force of 3.2m. But there were thousands more—almost \$100 a head for every single member of the population. Economists in Lisbon now believe that the annual inflation rate will not now come down to 15 per cent before November or December. This in turn will make it even more difficult for him to impose the matching 15 per cent wage ceiling he has called for this year as part of an attempt to introduce some form of tripartite social contract between the Government, unions and employers.

In formulating his package, Sr. Soares chose to go a fair way towards meeting the advice of the IMF, on which he is hoping to draw within the next two months. Portugal still has facilities of between \$150m. and \$200m. with the Fund, and the aim is to draw at least part of this in April to start repaying the first \$50m. tranche of the short-term American \$300m. loan that will then become due. Under the terms of the agreement with Washington, the Government can borrow up to \$50m. every month for six months, with repayment due two months later. Officials in Lisbon maintain that no specific conditions were attached to the U.S. loan, other than the general understanding that the Government must act along the lines proposed by the IMF.

His hope is that planned increases in social security and health benefits and cheap transport for pensioners will buy the support of the working force, if not the Communist-dominated trade union organisation. But his measures look like having a rough ride. The Social Democrat PSD has already, with Communist support, criticised the Prime Minister for lack of consultation over the measures proposed by the IMF. This Sr. Soares has done in imposing price controls on a long list of fuels and foodstuffs, the so-called "shopping basket". Raising interest rates, introducing savings and increasing purchase tax to 12 per cent on ordinary goods and 50 per cent on luxuries. At the same time, the Government moved to tackle the country's perennial trade deficit, which reached an all-time high of over \$1bn. last year, by extending import restrictions on non-essentials and introducing tax incentives for exports. A wide range of imported goods are now subject to a 60 per cent surtax and import deposits, which the State-owned banks are not allowed to finance; others are the object of temporary import quotas. Portugal

THE PORTUGUESE authorities have gaily set about the task of repairing the damage inflicted on the country's banking system since the April 25 coup. Yet, despite moves towards rationalisation, there are still no signs of a co-ordinated strategy for the banks which, since the nationalisations of 1975, have literally become the "commanding heights of the economy".

The nationalisations occurred as the Portuguese revolution went into its "Goncalivis" phase, the period associated with the rule of General Vasco Goncalves, the Communist-packed Premier, who attempted to introduce Soviet-style socialism.

Altogether, 20 banks and finance houses were nationalised in 1975, bringing with them share portfolios which indirectly gave the state control over around 60 per cent of Portuguese industry measured in terms of capital asset values.

As fears grew that the Communists and Far Leftists would use control of the banking system to dispossess the bourgeoisie, something resembling a run on the banks developed, with depositors rushing to withdraw their savings. The fears were fuelled by pronouncements from bankworkers' unions that they would keep an eye on

the name of revolutionary vigilance. Morais and Co. absorbed by the Banco de Portugal and Banco F. Borsig respectively. The Cabinet has a

the integration of small commerce Alentejo, Fernanha, Algarve and Industrial Viseu banking groups, whose outcome likely to Portugal will have commercial banks.

Clearly a contract, while desirable economic point of come slowly because danger of increasing already high level of merit.

Before the 1974 the Bank of Portugal like the Bank of E. its earlier days, with considerable proportion shares in private hand of the banks. The Finance Ministry, its own inspectorate, Bank of Portugal was of three issuing Menedo, Godinho and Pancada, other two being the

Meanwhile first steps towards nationalisation have taken place. Bank of Portugal was

CONTINUED ON NEXT PAGE

Banking on the mend

J. P. Smith

PORTUGAL III

Uncertainties in industry

PORTUGUESE INDUSTRY
privately and publicly
ed, mirrors the uncertainties
of Portuguese politics—
lack of guidelines,
and overall planning.

Political storms of 1974-75
abated but there are still
days of unrest and a wide
gap between management and employees.

Industries picked up by 4.2
cent last year compared
a 10 per cent drop in 1975.
Workers have faced up to
country's grim economic
and settled down to
rather than go absent or
political tubs but there
such ground to be covered
as industrial sanity is fully
restored.

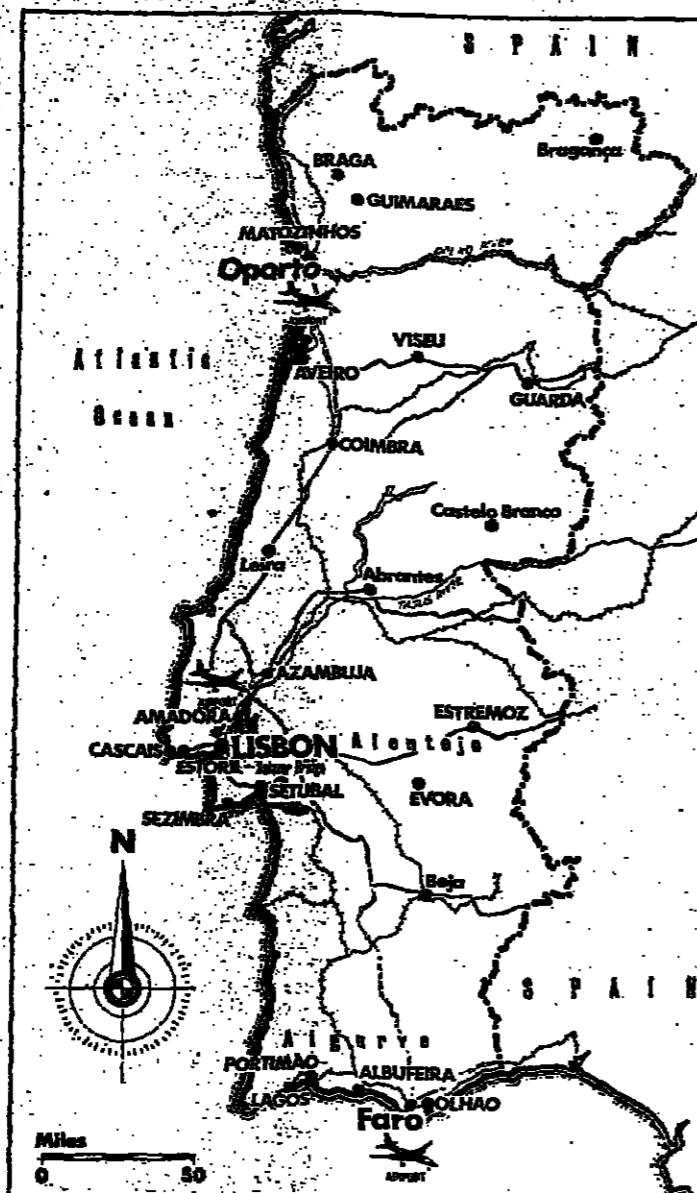
Regime overthrown in
must bear a heavy share
the blame for the aftermath
April 25, 1974 Coup of the
military.

Protection of monopolies, dis-
management of small, medium
and regional development, over-
reliance on former African colonies
for raw materials or most
markets, abysmal
non-existent job security,
chance for promotion with
connections, police repression
of industrial action, an
unstable, debilitating 13-year
civil war—these factors led
arrogance among managers
frustrations among workers
which inevitably released pent-
anger, vindictiveness and
rancor once shackles were
removed.

illiant

Private enterprise, to many
in 1974-75, was the
gon to be slain without parameters of
public and private
Urged on by the military, private enterprise is now at the
organised Committee stage in Portugal's
military and civilian parliaments. It is likely to
be in 1975 nationalised over include a ban on private activity
er cent of fixed capital for
in finance and insurance and first example of large-scale
ion by taking over banks and
rane companies and, thus,
monopolies they administered.

Two years later Portugal is
ing its way through an un-
comfortable period of adjust-
ment where the state hunts for
men and means to run its
assets and the private
or involving some 38,000
ll or medium enterprises
m grocers through weavers
ship repairers), hovers
ing for the socialist cabinet
give a clear definition of
s allowed or barred, pri-
enterprise, rules of com-
and financial incen-
that will help individual business out of their dol-
nesses out of their dol-
raw materials.



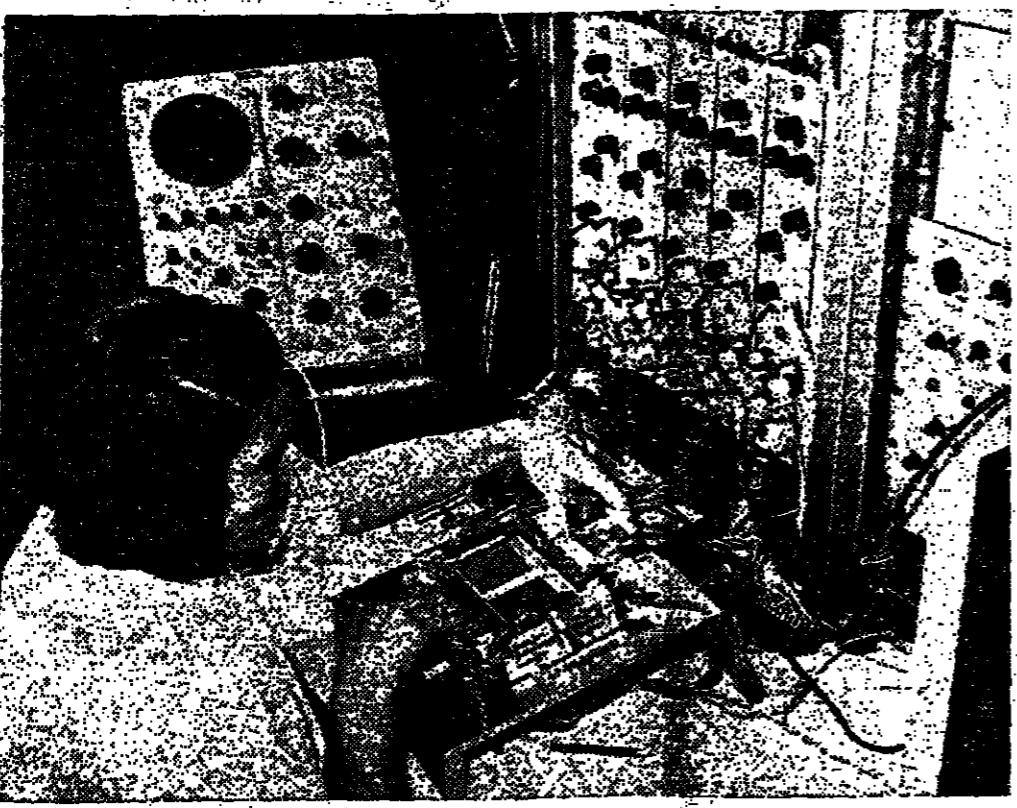
The draft bill establishing
the great white hope of the
Government and men planning
and executing it is the gigantic
Sines complex on the border of
Sines. It is channelling the cream of management and
engineers into the project. The
next decade will tell whether
confidence is justified or
whether economists and even
officials who see Sines as a
belated pipe dream and have
recommended its cancellation,
have a case.

The huge Sorefame, and other
state-owned or subsidised
metallo-mechanical concerns
like Mague and Equimetal have
been exporting a healthy number
of railway carriages, cranes,
gantries and generators in 1976,
after a disastrous 1975. Sorefame
is also building oil
tanks for Sines. State-owned
breweries are now selling
bottles of beer abroad, and hope
to ship about 15,000 metric
tons—some \$3m worth—to
South America in 1977.

Many successes depend on the
zeal of individual managers,
technicians and workers, grappling
with shortages of qualified
senior staff after graduates and
technicians fled abroad in the
wake of the 1974 coup, and with
difficulties in finding time-serving
or blatantly recalcitrant
labour who resist efforts of even
militant-communist workers'
committees to make them unfold
their arms and get back onto
the production lines. Furthermore,
management—both private
and public—complain of
bureaucratic red tape, inaccessible
ministers and disinterested
bank managers, hampering calls
for decisions, customs clearance
of vital equipment, and finance.

Private enterprise is worried
that a government suspended
somewhere between worship of
nationalisations and worker
management and concessions to
the market economy may lean
overly towards the former and
replace old private monopolies
with a powerful State monopoly
carving the most profitable slice
for public coffers and discouraging
fair competition. The
socialist government walks a
tightrope between the Com-
munist-dominated General Con-
federation of Portuguese
Workers, controlling 85 per
cent of labour and dedicated to
nationalisations, worker
monitoring of management and
resistance to the "rebirth of
capitalism"; and the energetic
Confederation of Portuguese
Industry, fighting for discipline
of labour, wider scope for the
private sector, and a return to
private banking (co-existing
with State-owned banks, as in
France).

The private sector still
accounts for 85 per cent of
exports, mainly of textiles, cork,
pharmaceutical products, cellulose,
and tinned fish. It is not
about to give up.



Automatic testing of memories at Plessey's factory in Lisbon.

Diana Smith

Banking

CONTINUED FROM PREVIOUS PAGE

ngola and the Banco Ultramarino, this latter being commercial banks, leaves them commercial bank credits to the task. Generally, the feeling is that they "over to compete with each other private sector up 7.3 per cent. Lisbon is that a weeding-out process will have to take place before a coherent strategy can be adopted towards state-controlled industry. In the case of, for example, the individual monthly increase in these banks are free to go to the credits of an average of 1.7 per cent as they operate within the markets as they wish so long as they spread laid down by the Central Bank.

The Central Bank has also encouraged to give preferential treatment to investors and to encourage the use of the central bank's interest rates in preference to those of the private sector. These rates are reflected in preferential re-discounting rates the rural industry as a whole. A bank which is most active in this field is the Participação Industrial (IPE).

In theory, the situation now is that the Central Bank, while

STRUCTURE

Nevertheless, while a more structured system has begun to be made in other areas if Government measures provide the breathing space required for a cooler look at future prospects. Portuguese banks are returning to the situation where the proper business of banks is banking rather than serving as ideological charities.

Paul Ellman

ADVERTISEMENT



In the sequence of the important decisions taken by the Portuguese Constitutional Government on 25th February, Dr. Mário Soares, the Prime Minister, delivered an address to the Portuguese people, from which the following brief passages are taken:

BALANCE OF PAYMENTS

This package of legislative measures decreed by the Government is basically aimed at increasing production swiftly. But also productivity and investment, so as to ensure the expansion of the Portuguese economy and create new jobs; to reduce domestic consumption so as to diminish the deficit of the balance of payments.

On the basis of the Budget and Plan submitted by the Constitutional Government, the forecasts made by the World Bank about our economy are optimistic enough and foresee the elimination of our budgetary deficits in the space of three or four years.

DEVALUATION

With the agreement of the Government, the Bank of Portugal has decided to devalue the escudo by 15 per cent. This means that the escudo has ceased to fluctuate and has been linked to the group of currencies of the countries with which Portugal has the closest trade and economic relations.

EMIGRANTS

Devaluation has encouraged, and I think that it will encourage, emigrants to invest in Portugal. Knowing that our currency is cheaper for them, it is obvious that they can multiply their investments. In that sense, one of the measures taken was to increase the interest rate for the deposit accounts of emigrants.

TOURISM

At this moment, bookings for the summer are complete. We have an hotel occupancy rate that is over 100 per cent. We are indeed in a good situation with regard to tourism, but we can increase and develop it enormously and it is very important that that should happen.

GOLD RESERVES

Up to now, we have not sold any gold. We have large gold reserves, as is known, of approximately \$U.S. 3.6bn. at the current market price, which means, more or less, 120bn. escudos, of which only a small part is not free, that is, less than a third of the reserves are guaranteeing some foreign loans.

LOANS

In spite of all the loans—some long-term ones with highly favourable interest rates, others short-term ones with the current interest rates of the international market—our foreign debt is effectively high, although it is not extraordinarily so. It stands at \$U.S. 2.17bn., which means—given our still untouched gold reserves, which perfectly cover this debt—that we are and continue to be a solvent country.

AUSTERITY

The problem thus arises of the relationships that must be established between incomes and, especially, wages and prices, relationships that must be programmed and planned.

We are entering a policy of sacrifices, a policy of austerity that the Portuguese people understand. That is why we cannot allow wages to rise more than 15 per cent.

ESSENTIAL OBJECTIVES

The essential thing is, first of all, the maintenance of the political freedoms, the trade union freedoms and due respect for human rights; to put the Portuguese economy in a condition in which it can function and, at medium term, absorb the unemployment in order to ensure the harmonious development and progress of the country.

To start a great plan for the modernisation of our industry, in competitive European terms, reconstruct and develop our maritime economy, fisheries, the 200-mile limit, the ports, the merchant navy, shipbuilding. It is an immense task of national reconstruction, and it is on this task that we must concentrate all national energies.

COMMON MARKET

The measures that have been taken must be viewed also in the context of the complex negotiations we are conducting for Portugal's admission to the Common Market, so as to achieve truly European standards of living for this country.

POLITICAL AUTHORITY

The Constitutional Government therefore feel they have the political authority, strength and popular support to go ahead, so as to remove the country from the difficult period it is experiencing and give new hope, a new path of progress to all our people.

PORTUGAL IV



Mario Soares

Mario Soares

MARIO LOPES SOARES, Prime Minister of Portugal, is 52 years old—the doyen of a socialist Cabinet whose ages average about 35. He was born into a republican, liberal family; he confesses to gut reaction opposition to the Salazar and Caetano regimes; he went to jail for his views more than once.

In exile in France, Mario Soares imposed his tough, gregarious, articulate personality on European leaders, cultivating friendships that have stood him in good stead since his triumphant return as leader of the new-born Socialist Party shortly after the April, 1974 coup.

Sr. Soares, a law graduate, flirted briefly with communism as a youth, at a time when the current Secretary-General of the Communist Party, Alvaro Cunhal, was a tutor at the private school run by Dr. José Soares, the Prime Minister's father.

Mario Soares has undergone a sea change from theoretical Marxist socialism to pragmatic social democracy and, sometimes, something more conservative if the moment calls for it. "It's easier to be in opposition than in Government," he confesses. He heads a minority Government which polled 33 per cent of the popular vote in the December, 1976 municipal elections. He can take nothing for granted.

The Europe of the Common Market is the dream to which Portugal...

Mario Soares clings. Meanwhile, he walks a tightrope without a safety net, relying on his balancing skills to ward off pressures from his left and right.

Old ladies wean and embrace him on his walkabouts. He is an accomplished hand shaker who stuns the attentions of officious bodyguards. An instinctive populist, who also enjoys good living, good food and family outings. Wistfully, he said recently: "I'd love to go to the cinema, but I haven't the time. Perhaps I'll go next week—unless we have a crisis."



Freitas do Amaral

PROFESSOR DIOGO FREITAS DO AMARAL, 38, is president of the Christian Democrats, the third most popular party in the April 1976 legislative elections.

An expert in administrative law and lecturer abroad in comparative law, the professor is recognised as a cool, determined thinker.

He treads a stately course as head of his party, whose rank and file is markedly more right wing than the leadership, preferring at this time to be the civilised opposition, voting with the Socialists in Parliament when this is in the CD's long-term interest, rather than being an active gadfly.

He has been invited to head the Commission revising the administrative code—an ironic situation, since the invitation is extended by a Socialist Government to a pupil of Marcelo Caetano, former dictator of

Portugal.

Jose Casqueiro

SIR JOSE CASQUEIRO, 37, is a farmer by trade and Secretary-General of the powerful, aggressive CAP (Confederation of Portuguese Farmers) by vocation.

Loved by thousands of smallholders and a handful of once-powerful private landowners, detested by rural labourers, their unions and the Portuguese Communist Party, whose domination in the farming province of Alentejo and Ribatejo the CAP seeks to defeat, Casqueiro is a man who speaks quietly in private and vehemently at mass farmers' rallies.

The power and bluster of the CAP—which put off roads and railways on the eve of the abortive extreme Left-wing uprising of November, 1975, and repeatedly threatened to cut food supplies to Lisbon if the Government ignored its demands to halt the land grab of the time—has forced provisional and constitutional Governments to correct the abuses of the land reform.

Because, deep in its shadows, wearing the mask of democrats or moderate conservatives as long as it suits them, stand men whose aim is not so much protection of smallholders or private farmers as a whole, but overthrow of any Government that does not represent a return to the extreme right-wing authoritarianism of the past, the CAP will never enjoy full credibility in the eyes of objective observers.

Meanwhile, Sr. Casqueiro carries the banner for Portuguese farmers, some 700,000 in number—not all of whom accept the CAP as their standard-bearer.

Alvaro Cunhal

ALVARO BARREIRINHAS CUNHAL, 63, is secretary-general of the Portuguese Communist Party—and has been a member of the party since his teens. He is a law graduate.

Under the Salazar dictatorship, he spent 11 years in prison, which ended with a spectacular escape from the high-security fort of Peniche in 1960. Cunhal lived in exile in a pugnacious, ambitious opponent to Mario Soares—but until the PSD/PPD increase

in August, 1974, to 24 per cent share



Alvaro Cunhal

April 25 coup to take up his present active role as secretary-general of the party (a position he had held since 1961, but which he could not actively execute).

Cunhal's acquiline features and shock of white hair make him an arresting figure at the Madeira and in the Azores, where the PSD/PPD heads the autonomous regional government.

A man whose allegiance to Moscow has been impervious to the siren song of Eurocommunism.

On his party, with its domination of 80 per cent of Portuguese Labour through the General Confederation of Portuguese Workers, and his flexibility or obstinacy, depends the long-term progress of the Portuguese economy.

Younger communists would not be averse to more elastic attitudes in labour and in policies—but as long as Cunhal is the leader, with the scars, both physical and psychological, he bears from decades of persecution and resistance to a right-wing system, it is unlikely that the Portuguese Communist Party will alter its animosity to what is described as the "recovery of capitalism."

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Francisco Sa Carneiro

FRANCISCO SA CARNEIRO, 45, heads the Social Democratic PSD/PPD. A law graduate and member of the Deputies to the old National Assembly in 1969-1973, he tried, generally unsuccessfully, to introduce reforms into the resistant

founder member of the PPD, Sa Carneiro has proved himself a pugnacious, ambitious opponent to Mario Soares—but until the PSD/PPD increase

in August, 1974, to 24 per cent share



Francisco Sa Carneiro

of the popular vote, he has little hope of heading a successful government formed of the PSD/PPD alone.

His party's declared social democratic image is somewhat tainted by the conservative stance of its branches on Madeira and in the Azores, where the PSD/PPD heads the autonomous regional government.

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Antonio Vasco de Melo

ANTONIO VASCO DE MELO, 45, an engineering graduate who took the advanced course in management at Harvard, is president of the CIP—the Confederation of Portuguese Industry, an organisation formed in August, 1974, to represent the country's 36,000 small and medium-sized private companies.

Member of a prominent and powerful family (his close relatives owned the huge CUF monopoly now nationalised), Vasco de Melo has survived the tribulations of 1974-75 with his position and reputation intact.

One of a limited number of men of his breed who stood their ground in the face of verbal and physical threats, adjusted themselves to a new system and resolved to operate within it, while reserving the right to judicial criticism.

The CIP has become an active and strong voice in the campaign to define limits of the public and private sectors, nagi

the government into encouraging private investment and rationalising labour relations.

At a time when the Communist Party or the extreme Left dominated the Portuguese Press in 1975, de Melo founded Jornal Novo, a Lisbon evening paper, as an alternative voice—a moderately conservative one now, after a change in editor.

De Melo is a quiet man with a tired face, who divides his overpressed time between the CIP, Jornal Novo and the private industrial wire firm he (and a workers' committee) directs.

Otelo Saraiva de Carvalho

MAJOR (former acting general) OTELLO SARAIVA DE CARVALHO, 40, describes himself as a Robin Hood. His warm, somewhat eccentric nature endears him to Portugal's underprivileged. The clientele his extreme Left-wing backers in the MUP (Movement of Popular Unity) hope will return the charismatic major one day to leadership of a new revolution.

Meanwhile, the man everyone calls Otelo with no need for surnames, master planner of the military coup that overthrew Marcelo Caetano's dictatorship in 1974, ex-head of the controversial, unruly COPCON (Central Operational Command) which appropriated political, military and police powers in 1974-75, former councillor of the revolution is muzzled by the military authorities as a result of his alleged involvement in the 1974.

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Ernesto Antunes

memory—as the bi of Portuguese politi remains Head of tional Commission, symbol of the flic Marxist mil Communist, but a larly non-middle of He was instru downfall of the h Communist-leaving Minister General calves who drove P stampede towards ruination in 1977 moment, this act keeps Major Mel political standing secure.

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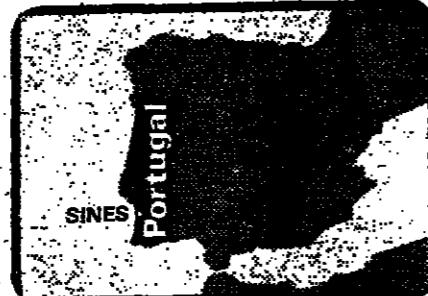
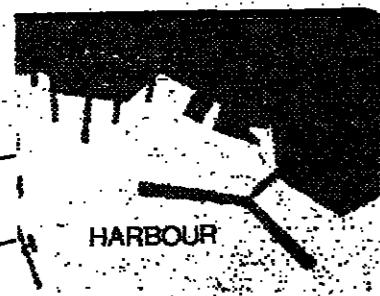
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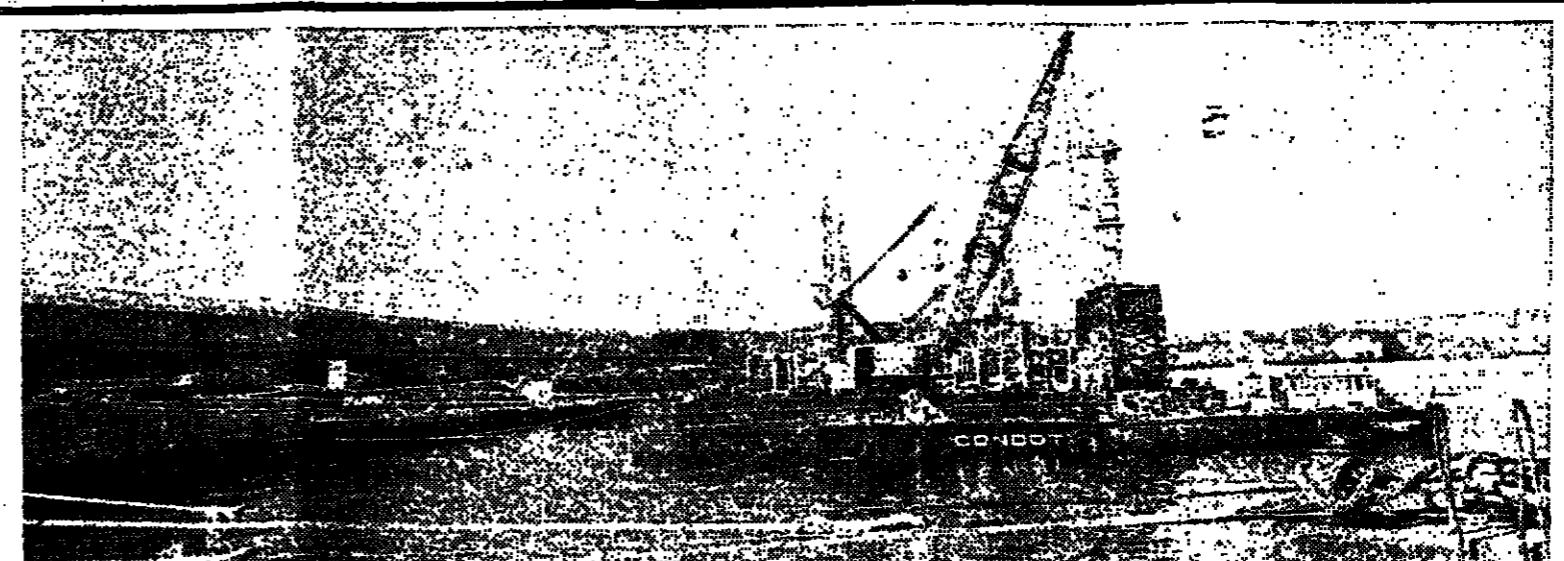
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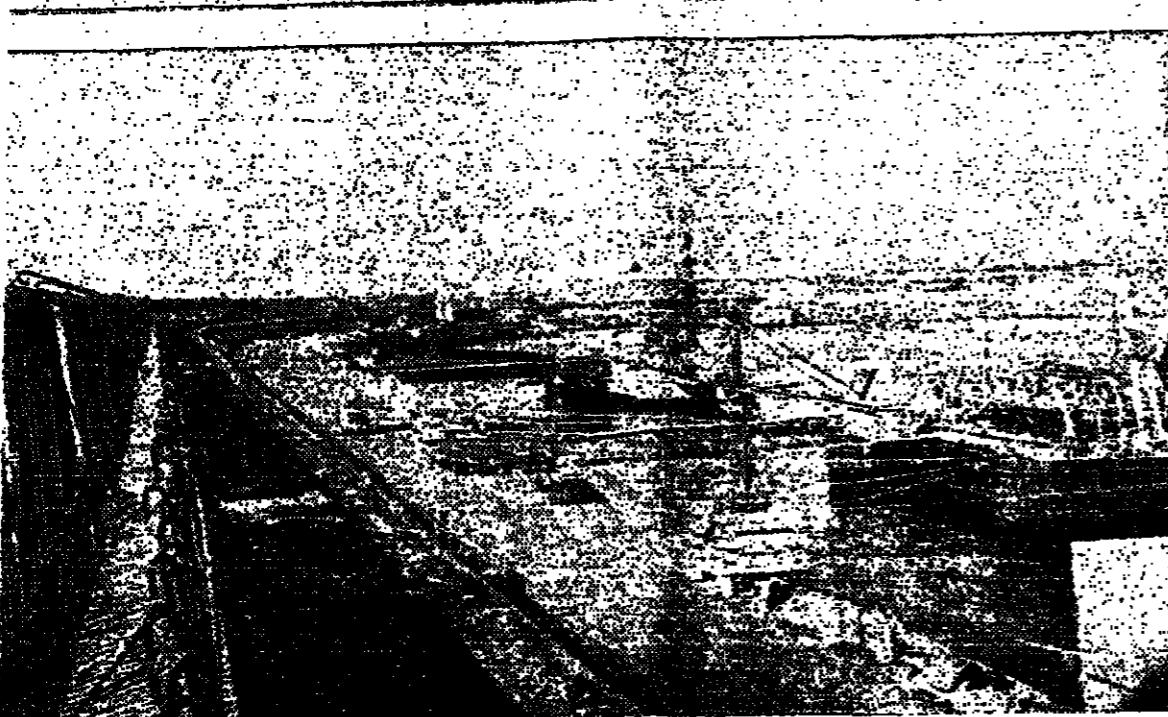


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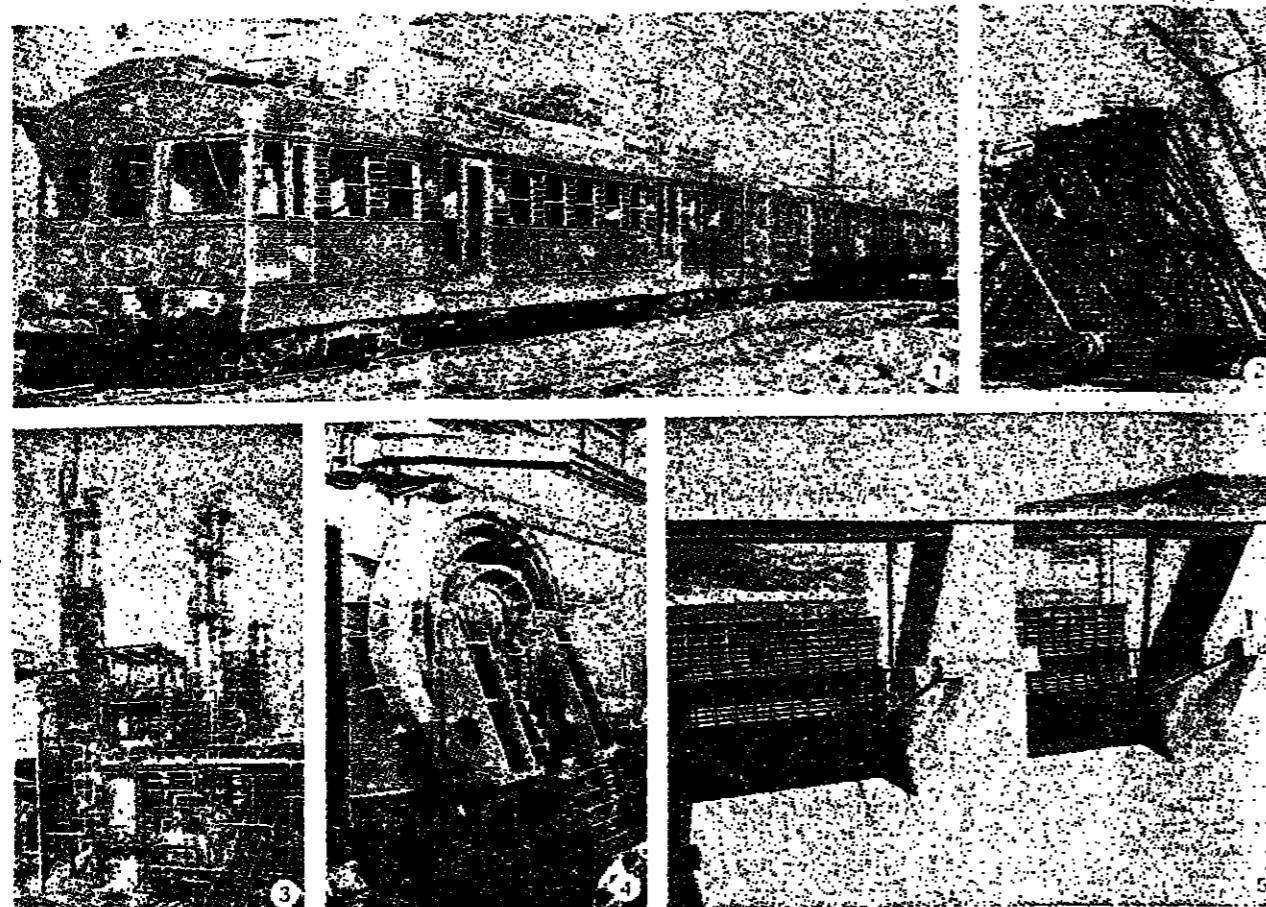
Sines Dockyard

DATA AT DECEMBER 31st 1976.

Working hours	6,700,000	Rock mc	5,967,237
Concrete mc	168,059	Caissons met. 17 x 22 depth of	
Re-inforced concrete mc	11,316,169	foundation from -15 to -35	7
Dolosse 40 tons (Caisson units)	No. 13,981	Caissons mt 15 x 15 depth of	
Dolosse 15 tons (Caisson units)	No. 1,289	foundation from -15 to -35	13



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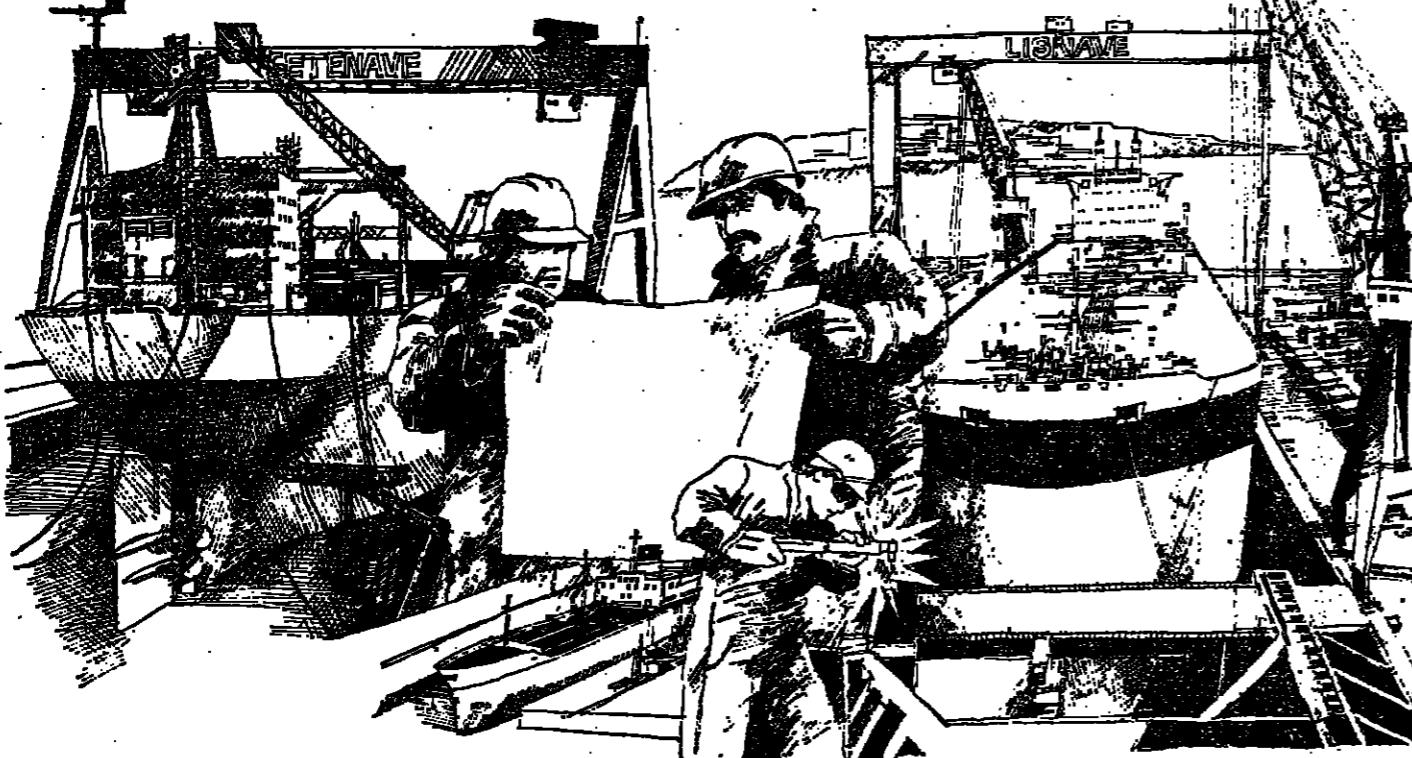
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PORTUGAL VI



Lisnave's shiprepairing yard.

Shiprepairing well established

SHIPREPAIRING OCCUPIES a and the overseas shareholders had never looked bleaker, and of its importance there must be considerable improvement in the Portuguese economy with the Lisnave yard, on the Tagus estuary, alone accounting for some 5 per cent. of the country's total export earnings.

As an industry, Portuguese shiprepairing came into its own with the advent of the supertankers, the giant vessels plying between the Gulf and North-West Europe.

Lisnave's South Yard, which in theory cope with a VLCC (Very Large Crude Carrier) of up to 150,000 tons—should such a monster ever be built—was officially launched last year.

Setenave, located on the Sado River estuary outside the town of Setúbal, some 25 miles south-east of Lisbon, was conceived at the height of the tanker boom in 1973, and opened in 1977, the outcome of a commercial venture established in 1961 by two Portuguese, three Dutch and two Swedish shipyards.

Its big selling point was, and still is, the geographical location of the Tagus on the way to the Gulf. Unlike yards located nearer to West European terminals, the Tagus offers owners two to three days sailing time on the way back to Europe.

Unfortunately, Setenave, which is wholly State-owned, came on stream when prospects for shipbuilders generally and tanker-builders in particular, were not so good.

In this connection Setenave took part in a marketing arrangement with Lisnave under which the two companies share work on an 80-20 basis.

This ended last December but it is expected that a new agreement will be reached in the near future.

Mention was made earlier of the strategic position shiprepairing occupies in the Portuguese economy as a whole. This is not just because

Tankers

Provision was made for a building dock in which tankers of up to 700,000 tons could be constructed and the yard was fitted with magnificent equipment, including a 500-ton gantry crane built by the Portuguese engineering company, Mague.

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Early successes prompted a further expansion of the South Yard (a smaller repair facility is located in the heart of the Port of Lisbon itself on the opposite side of the estuary) in 1969-70, ultimately giving Lisnave the biggest repair facilities in the world.

The boom lasted until the after-effects of the Yom Kippur War in 1973 began to make themselves felt. Around 140,000 tons of shipping passed through Lisnave in that year. By 1975 the annual tonnage was down to below 100,000 tons. This reflected the laying up of supertankers, the introduction of slower cruising speeds as economy measures by owners and the lengthening of maintenance cycles.

The Portuguese yard also had to meet the effects of the revolution and the image of instability this projected to the outside world. Although shiprepairing did not escape the general turbulence of Portuguese politics after the revolution, many of the reports of workers exercising unbridled power to make excessive demands on management were untrue.

Productivity did indeed slump, particularly in 1975 when the Leftward trend of the revolution was most apparent. But this was offset by a general lack of demand which managed to ensure that the yard met all its repair and maintenance deadlines.

The fall in demand coupled with a general rise in costs resulted in a loss of Esc.125m. in 1975, compared with a profit of Esc.244m. in 1974. The yard is, however, predicting that results for 1976, expected later this month, will show a return to profit.

At the same time there is talk of restoring the third shift at Lisnave to cope with increasing demand from tanker owners. The workforce seems to have recovered from its initial militancy—less time is now being taken off for political meetings and the latest pay negotiations saw the workers settle for relatively modest (by Portuguese standards) increases of 10-15 per cent.

Relations between the Portuguese Government, which acquired 30 per cent. of the port's shares in Lisnave during the 1975 wave of nationalisations,

THE RIVER DOURO, not long ago, was a remote, misty watercourse, where stately barges take bottles home, the British from terraced vineyards 100 km. from the city of Oporto, to be matured and shipped. To-day the Douro is harnessed by hydroelectric schemes, the barges are museum pieces, the wine is carried in huge road tankers. The 20th-century has arrived in Portugal's north—although in some areas man still lives and eats as he did in ancient times, scratching the soil, playing airs on bagpipes inherited from Celtic invaders 6,000 years ago, boasting his stamina with doses of fiery Bagacão, the clear white 53 proof spirit distilled from trade stems and skins in the inaccessible northeast, where roads are awful and villages sparse, inhabitants still carry out ritual vendettas which would make the most ferocious Sicilian think twice.

Oporto, capital of the north, second largest city in Portugal with a population of over 800,000, is synonymous to many foreigners with port wine, drink of kings and country squires who first discovered its delights in the mid-17th century and then, imbibed one or two bottles a day.

There are 12 foreign-owned companies among the 54 firms in the port wine trade, bearing ancient names like Kopke founded 1845—Croft—founded 1678—Warre, Delaforce, Cockburn and Sandeman. The trade accounts for about £28m. in exports (approximately 411,000 hectolitres of wine) to above all, France, the U.K., Germany, Belgium, Holland, Italy (a healthy market), Russia and Poland (which now buys about 150,000 cases a year).

The grand old days when proud fathers or grandfathers laid down a pipe of port for their descendants are almost over. To-day 65 per cent. of the port is bottled and labelled in generally—is climbing the list of facilities to import

have poured in porto" in cafes, the Germans new machinery's the first sector i the 1974 milita trade is diversify wines and new Croft's Muscat, a now being laun energetic campai

The recent 15 valuation of the port wine export quoted in local escudos, and do fourth largest ot trade, may suffer 50 per cent sales and spirits—which

Oporto is not ju a noisy, thr location of an oil metal industries at 45km. away and rounding towns, et Portugal's textile tra and artificial fibre, ing, fishing lines, carpentry).

Unlike scatterbrained Lisbon, Oporto is to the south, the north is minute farms v weatherbeaten me little need for cl antiquated method.

The textiles sector, to the detriment of the Portuguese economy It boasts about 6,000 employs over 270,000 85 per cent. of

Several port companies are now majority owned by British groups such as Maxwell Joseph's Grand Metropolitan or Harvey's but retain their very special Anglo-Portuguese character and politics secure and drive. The port wine trade Salazar and Caetano is one of the few sectors of ships. In the late Portuguese activity that can early 1970s, foreign

The grand old days when proud fathers or grandfathers laid down a pipe of port for their descendants are almost over. To-day 65 per cent. of the port is bottled and labelled in generally—is climbing the list of facilities to import

CONTINUED ON NEXT PAGE

The northern region

PORTUGAL VII

J. V. Smith

Refugees a scar on society

TWENTY-FIVE years I went which inherited a chaotic Angola. A rich, won piecemeal, corrupt refugees were welcome. I bettered far organisation—the Institute I had my own res for Aid to Returning Nationals in Luanda. Now I'm IARN— from earlier providing a text, I suppose visionaries governments, has been I could be like most trying to sort out the mess.

There for me? While Portugal staggered under the impact of a left-wing 50 years old, revolutionary leap forward, taxi driver, Portuguese refugees, Angolan by birth, Angolan by force of circumstances, let off steam, late in the driving rain turned Lisbon into a mud and muddiness in five months.

Refugees are one of the officially registered people (returnees) in Angola, Mozambique, Cape Verde and when Portugal divested its former colonies in 1975, the new regime took

refugees have not yet ed. The Government is to them to come for. No one knows what the 'returnee' population is. Hotels and pensions suffering from lack of clientele when foreigners stayed away from Portugal. He had the drive to get a job, even overwhelmed by a new breed of unnot the one he wants. ruly guests, housed at the Government's expense, because to live on state there was nowhere else to put

30, which does not stretch Profiteers and swooped like vultures offering minority socialist government, expensive Portugal, substandard accommodation at

inflated prices. About 8 per cent. 70,000 who, according to Lt. of hotels and pensions housing Colonel Ribeiro, still live in refugee houses are known to have human conditions (barns, fields, cheated the government Ruth tents, shacks and derelict buildings). Fly-by-night money changers took Angolan or Mozambican currency from want to leave Portugal—either for Africa when things settle down, or for South America or Australia (especially Timorese refugees). Without skills they have little hope of being accepted as immigrants—most have few or no special skills. Mean-

while, refugees are a chronic social and financial problem, a time-bomb ticking quietly until their energies are harnessed.

On Tuesday, March 8, 600 refugees and 50 special riot police clashed violently in front of parliament in Lisbon after the refugees refused police instructions to keep the statutory 100 metres away from the entrance and tried to march on the building to cheer their leader, 53-year old air-force General Carlos Galvao de Melo, self-styled independent Christian Democrat deputy. They were driven away by the truncheon-wielding riot squad.

The refugees were enraged by the new contract, designed to represent the industry. One of their leaders promised that soon Communists would be found hanging in Lisbon and that the authorities had forced them into terrorism. General Galvao de Melo, recently chosen as their leader, appears to be a catalyst for the refugees' energies, which the authorities had hoped would not emerge.

Refugees from Angola and Mozambique claiming state allowances in Lisbon.

Chaos

Lt.-Colonel Goncalves Ribeiro, High Commissioner for Refugees, appointed by the Government to end the chaos and foster

integration of the dispossessed, skilled and unskilled, into Portuguese society, told the Press recently that in 1976 the Government spent £110m. on housing refugees.

"We realise we were on the wrong track," he said. "Now we are trying to provide fishing rods instead of fish."

The Government has allocated credits for refugees, trying to set up businesses. One group has formed a clothing factory in the north—with a state credit of £33,000 to start them off.

Others have formed farming co-operatives or cement factories.

Fifteen per cent. of the 450,000 registered "returnees" receive state allowances. By September 30 this must end; on that date the government will cease paying all hotel bills. Officials are frantically searching for alternative accommodation for refugees still living in hotels or pensions, and for the

CONTINUED FROM PREVIOUS PAGE

goods, competing successfully with rivals from the Far East.

For the last month, a considerable percentage of northern textile workers—and almost all those in the Noolens district of Covilhã, northeast of Lisbon, have been going slow or striking all out, ostensibly to force management into signing and applying a long-outstanding labour contract.

In the eyes of management, the new contract, designed to represent the industry, "Braga dies. Workers will have to realise doing better is a matter of life and death."

It was split up into distinct geographical and specialised parts that management has grossly underpaid them—not even the national minimum wage—and which, not only unions but the that their action is a fight for survival.

Despite internal troubles and quotas, on imported textiles threads or knits in the U.K., Portugal's textile industry boasts equipment as good as Scandinavian countries, France and, in the near future, Canada,

Portuguese weavers, spinners and clothing manufacturers are or protection—we fought off keeping afloat. The industry protectionism when the old represents about 20 per cent. regime tried to force us to buy of the total value of Portugal's branch cotton only from Angola or Mozambique and give preference to colonial markets. The firms which gave in have now lost their markets. We want to try to find our own feet."

Quality, by the admission of industry leaders, has dropped in the past two years—for the first time, numerous complaints have come in from Russia, among other countries (one of the new markets secured after April 25, 1974).

Textile management is pressuring the minority socialist government for concessions on imports of machinery, dyes and raw materials for artificial fibres which currently drive up costs on top of a 100 per cent. increase in wages in three years.

Most textile companies are seriously decapitalised, having workers have chased union officials out of northern factories, threatening to trash their representatives, if productivity lives, if they return.

A Portuguese weaver won the large firms like Riopele and golden needle award this year.

Manuel Goncalves (employing about 4,000 workers each), have and threads can compete on the middle market, on a quality

troubles. The communications basis, with goods from Europe

many workers widens daily.

Small firms, 60 per cent. of are prepared to make an all-out which employ fewer than ten effort to keep Portuguese text people, are struggling to keep tiles on the international up production thanks to closer market. Meanwhile, sardonic relations between owners and Portuguese humour prevails.

workers—often workers do not "I suppose we could go into understand—or care to understand—the red carnation trade and stand—why strikes are held and make a fortune," said a manufacturer recently, referring to the flower that became the symbol of the 1974-75 revolution.

Management is adamant that until the government clearly defines the rights and frontiers of the private sector improves bank credit facilities and above off to London to buy an old

all sits down at the table and taxi to transport me, my wife and six children. Someone might take a pot shot at me if I bought a Rolls."

D.S.

Northern

CONTINUED FROM PREVIOUS PAGE

at high cost) and high potential. But the turbulence of the last three years has caused a 20 per cent. drop in productivity

of northern textile workers—and almost all those in the Noolens district of Covilhã, northeast of Lisbon, have been going slow or striking all out, ostensibly to force management into signing and applying a long-outstanding labour contract.

"If textiles die," said a representative of the industry, "Braga dies. Workers will have to realise doing better is a matter of life and death."

It was split up into distinct geographical and specialised parts that management has grossly underpaid them—not even the national minimum wage—and which, not only unions but the that their action is a fight for survival.

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BANCO DE PORTUGAL—LISBON

Factors of domestic money creation

Developments in factors of domestic money creation in the past three-year-period show:

a) Substantial reduction—after a period of continuous increase of net foreign assets, as a result of financing the increasing balance of payments deficit, in spite of the measures taken in 1975 and 1976 in order to improve the external imbalance.

As we put aside the favourable effects of the import surcharge, introduced in May 1975, on the reduction of the trade account deficit, the remaining measures adopted—successive restrictions set on the outflow of foreign currency for travel and tourism expenditures, establishment of special deposit accounts for emigrants, institution of an advance deposit to the import of several goods and increase of the surcharge in October 1976—had apparently the desired result only on the second half of the past year. In fact, of the decrease of 27.8 billion escudos in net foreign assets in 1976, 21.3 billion took place in the first half and only 6.5 billion in the second half;

b) The increase in net credit to the administrative public sector of 66 billion escudos, of which 10 billion in 1974, 24 billion

deposits rose nearly 4 percentage points and those for major asset operations between 3 and 3.5 points.

Thus, it may be said that, generally speaking, the modifications introduced in the several rates, were aimed at not excessively aggravating the financial situation of enterprises, improving the earning capacity of commercial banks and, particularly, stimulating the formation of savings, a vital condition to the improvement of the national economic and financial situation.

Since these objectives are somewhat contradictory, the changes made were small-sized, and special attention was given to credit selectivity. In fact, the increase in interest rates, considerably lower than the inflation rate, was not a discouraging factor of investment, since the latter was affected by factors other than the cost of credit and which are gradually being removed.

Restructure of the banking system

With a view to the restructure of the banking system, a committee was created in May 1975 to study the outline of the future system, the re-dimensioning and specialisation of credit institutions and the way to improve the distribution of banks throughout the country.

As a result of the work carried out by this committee, in May 1976, two banking houses were merged into two commercial banks and, in January 1977, four commercial banks were merged into three larger sized ones. In July 1976, the opening of new branches in areas deficiently covered by banks was also authorised.

The work of this committee pursues two main directions. On the one hand, to reduce, through mergers, the number of multivalent banks and, on the other, to enlarge the sector specialisation of banking institutions.

Outlook for 1977

In accordance with the Development Plan for 1977, the monetary authorities should put into practice a set of actions in the monetary and financial field namely the following:

— continuation of the re-structure of the national banking system with a view to adjusting it to the new Portuguese reality;

— revision of the provisions on legal reserve requirements and on the structure of interest rates paid and charged by banks;

— pursuit of the credit selectivity policy, to support the priority sectors taking into account the present situation, particularly as concerning the external deficit and the ratio inflation/unemployment;

— establishment of an Agricultural Development Bank;

— restructure of autonomous public funds of a financial nature.

All these actions aim at ensuring the monetary and financial equilibrium of the country and creating conditions favourable to the financing of the economy, which should be mainly effected through domestic savings, rather than through money creation.

The achievement of this objective requires a proper alignment between monetary policy and the exchange, budgetary and price and income policies, so that the growth of money supply does not lead to increased unemployment, and, at the same time contributes to the reduction of inflation and the balance of payments deficit.

External balance of payments of Portugal—global analysis

Up to 1973, the structure of Portugal's external balance of payments was characterized by increasing trade account deficits, chiefly covered by emigrants' remittances and tourism net receipts, which gave rise to global surpluses and the consequent increase in the gold and foreign exchange reserves of the country. This situation reflected nevertheless several structural imbalances in the domestic economy and its high vulnerability to external economic conditions.

In 1974, for the first time, the Portuguese balance of payments showed a global deficit—16 billion escudos. In the following year, the deficit rose to 25.9 billion escudos (representing approximately 6.9 per cent. of domestic expenditure). In 1976, a new aggravation was recorded in external accounts: the exchange balance of the Central Bank showed a deficit of nearly 33.2 billion escudos, by the end of the year, against 26.7 billion escudos in the preceding year.

The bulky deficits of the balances of payments in the past three years reflect the disturbances in the operation of the internal economic system after the 25th April 1974, to which were added the effects of the deep and long economic recession which affected the main Western industrial countries, bringing about a sharp drop in foreign demand for goods and services and the reduction of current transfers from abroad. It should be pointed out that the situation had already worsened in the period which preceded the 25th April 1974, when the exchange balance of the Banco de Portugal showed a deficit of 7 billion escudos in the first four months of 1974, and all the signs of an important economic and financial crisis appeared at the same time.

Analysis of the behaviour of the main components of the balance of payments, in recent years, shows the following features:

a) The deterioration of the global deficit in 1974 resulted mainly from the aggravation of the trade account deficit, connected with the high rise in import prices;

b) The aggravation of nearly 10 billion escudos of the overall balance in 1975 was mainly the result of unfavourable developments in medium and long term capital operations, since the current account showed a deficit slightly lower than that recorded in the preceding year.

c) The increase in the balance of payments deficit in the first half of 1976, as compared with the same period of 1975, was mainly due to an increase of 16 per cent. in the trade account deficit—contrary to what happened in the 1st half of 1975, and to unfavourable developments in tourism receipts, capital income, private transfers and long term capital movements. In the 2nd half, reflecting the measures adopted in the financial and fiscal

Fields, there was a sharp reduction in the balance of payments deficit due to the strong recovery in tourism receipts and emigrants' remittances.

Current account

The current account which from 1966 to 1973 had always shown surpluses, recorded a deficit of 21 billion escudos in 1974 (approximately 6 per cent. of GDP). In 1975, in spite of the reduction in the trade account deficit, the negative balance in the current account remained of the same order of magnitude as that recorded in 1974. In the past year, the favourable development of tourism and emigrants' remittances—with special incidence in the 2nd half—were not sufficient to offset the aggravation of nearly 30 per cent. in the trade account deficit and a higher deficit is thus estimated for the current account (approximately 28 billion escudos).

As to the recent behaviour of the main components of the current account, the following aspects should be pointed out:

a) Trade balance. The high increase in the value of imports in 1975 reflects the rise in world prices of foodstuffs, raw materials and fuels, as well as the income re-distribution which took place in that year. In turn, the decrease in imports in 1976 reflects the decrease in the rate of domestic output and the effects of the restrictive measures adopted, namely the 20 and 30 per cent. surcharges levied on the import of non-essential goods and of other credit selective measures. In 1976, the trade balance deficit is estimated to reach nearly 53 billion escudos. In the first nine months, there was an increase of 15.5 per cent. in the value of imports (approximately 4.5 per cent. in volume), and an increase in exports of 8.8 per cent. in value (about 7.7 per cent. in volume).

The main increase in imports concerned raw-materials and intermediate goods, while a drop was recorded in imports of consumer goods (other than foodstuffs). This behaviour of imports in 1976 shows a certain recovery of domestic output confirmed by the developments in manufacturing industry, which shows a growth of 4.5 per cent. in the first nine months of 1976 as compared with the same period of 1975.

In 1978, exports to EEC and EFTA showed a marked recovery, and there was also an expansion of exports to planned economy countries. However, exports to Angola and Mozambique shrank substantially, representing only 3.2 per cent. of overall exports (against 15 per cent. in 1973).

b) Balance of services and unrequited transfers. The balance of services which had always presented surpluses, showed for the first time in 1975 a deficit of approximately 4 billion escudos, mainly determined by the regression of tourism net receipts and capital income.

The decrease in tourism receipts recorded in 1974 and 1975 as well as the unfavourable behaviour of emigrants' remittances in 1974 should be attributed to the effects of the international economic crisis and also to internal political developments.

In the second half of the past year, there was a reversal of that trend, with a strong recovery in tourism receipts. Thus, in 1976 receipts are estimated to reach the level achieved in 1975 (nearly 8 billion escudos). Since in that period also there was a drop in tourism expenditures—due to reduction in the limit of foreign exchange allowed to national tourists—tourism net receipts in the past year should double those of 1975.

Receipts from private transfers—mainly corresponding to emigrants' remittances—have been an essential stabilising factor in the balance of payments. In this connection and in order to encourage and protect the inflow of such savings, there were recently established deposit accounts in foreign exchange to be used by emigrants, with guaranteed exchange rates and favourable conditions for borrowing designed particularly for the purchase of houses. These measures together with the regularisation of the internal political situation should see the beginning of favourable behaviour in emigrants' remittances in the second half of 1976. Net private transfers are estimated to reach in 1978 the level of 1974 (approximately 28 billion escudos) thus exceeding the amount of 1973 (27 billion escudos).

Because of the size of the balance of payments deficit, Portuguese authorities see it as a major economic problem. The high level of foreign exchange reserves that the country had in 1974 allowed the possibility of sustaining a global demand in the economy through an expansionary fiscal policy and an improvement in income distribution. These policies can no longer be pursued at the same level because, although Portugal still has important gold reserves, mobilising them becomes more difficult and the country cannot maintain an external deficit which represents such a high percentage of GNP. That is why the Government, besides adopting stricter fiscal policy for 1977, in order to contain public and private consumption and to encourage exports, also adopted some direct restrictive measures:

— an increase in the surcharge on some imports from 30 to 30 per cent.;

— introduction of a surcharge of 60 per cent. on imports of luxuries (1.5 per cent. of total imports);

— imposition of an advance deposit of 50 per cent. of the value of imports (affecting 8 per cent. of total imports);

— restrictions on credit for buying durable consumer goods.

Other measures in preparation reveal the concern of the Portuguese authorities over the balance of payments problem. The adoption of these measures will allow the country to obtain the loans, on better and longer terms, that are necessary to go on financing a deficit which cannot be absorbed completely. In the short run, if the development policies needed to solve the structural problems that the country faces are to be implemented,

ANNUAL RATES OF CHANGE (in percentage)

1971/73 1974 1975 1976

at m.p. in volume 8.1 3.9 -3.6 6.7

in implicit in GNP 8.6 16.9 12.9 26.3

PORTUGAL VIII

Tourist potential can be exploited

ALTHOUGH the 15 per cent something to offer to people businessman or housewife can live basis in the early 1970's. devaluation of the escudo makes depressed by the bleak weather, watch seagulls, swim, or play will be at all able to recuperate the Portuguese tourist package of northern countries, those in golf unbothered by hideous high from the Government's change substantially more attractive to search of escape from drab rise construction.

Unfortunately, however, In the late 1960s and the four helter-skelter development of years preceding the military tourist accommodation—with the exception of the Estoril Cascais area due west of Lisbon and the Atlantic island of Madeira—has many shortcomings.

Catering and entertainment have serious failings which the minority socialist Government has tried to improve. Little co-operation, however, is forthcoming from faltering, individualistic local entrepreneurs.

In the Algarve, potentially Portugal's main source of tourist foreign exchange, two thirds of the accommodation consists of villas and apartments rather than hotels, whereas the Government's support and main concern has been centred on the latter.

A great number of mostly small developments in that area suffer from a credit squeeze, unreasonable wage and fringe benefit claims from local hotel workers' unions, and lack of proper commercial organisation.

Madeira has, generally, not been affected by the 1974-75 coup or the cogniscent pre-revolution. Contrary to events serving the unquestionable charm of the Portuguese country, the influx of foreign tourists has shown a steady increase. However, whole.

Thanks to a reasonably good 1976 summer season benefiting from heavily increased internal tourism, the hotel, villa and flat owners of the Algarve have refrained from intensive lobbying of the Government for greater promotion of foreign tourism.

Meanwhile, with large percentages of group bookings going to internal tourism, and still—with occupancy of flats formerly rented to foreign tourists by refugees from Portugal's former colonies in Africa and the Far East, the country is incapable of absorbing any massive increase of foreign tourists during 1977—with a consequent relative loss of foreign exchange.

The recent allocation of P. O. T. T. Esc. 1.5bn. (£25m.) for completion of hotels under construction—which has been dragging since the military coup of April 25 1974—and the Government's willingness to promote further projects should improve prospects for 1978 and later years.

It is doubtful, however, whether villa and apartment developments, mainly in the Algarve, initiated on a specula-

tive basis in the early 1970's. landscapes, particularly from Germany and Scandinavia, has led to a serious shortage of accommodation. The longstanding problem of Madeira's inadequate airport will continue to be a deterrent to further expansion of tourist facilities in the immediate future.

Portugal's network of government-owned "pousadas" (inns), located generally in scenically attractive spots up and down the country, offering pleasant accommodation for reasonable prices, have recently been brought under ENATUR (National Tourist Enterprises) which incorporates nationalised tourist concerns in general, including some travel agencies, and plans to set up a national charter carrier.

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The long-forgotten interior of Portugal, with its many charms and dozens of pleasant roadside inns and restaurants may now become more accessible to foreign visitors, thanks to the Government's attempts to foster tourist development in traditionally-neglected areas.

However, their limited size and scattered locations will restrict their access to the curious or the cogniscent pre-revolution. Contrary to events serving the unquestionable charm of the Portuguese country, the influx of foreign tourists has shown a steady increase. However, whole.

Regional gastronomic specialities and a great variety of good

wines will not fail to attract the more adventurous traveller. In view of Portugal's undeniably tourist potential reasonable optimism is justified—but qualified, by the Government, industry and unions' capacity and willingness to pool their interests and efforts in rationalising a vital sector which has been greatly neglected by successive administrations since 1974, despite its obvious potential as a source of badly-needed foreign exchange.

Prata de Alvor in the Algarve.

Quebec on a nationalist tightrope

BY W. L. LUETKENS

UMOUR is getting the directly into the terrorist phase the legal profession of separation in 1970 with all these days. "It's as which it is important to recall the PQ was in no way associated. There is a similar let-down now, after the Olympic Games. History need not repeat itself, but the warning is there.

course, that people only become undivided abiding what upsets is that the lucrative comes from business activity is high. It's faded to a separatist and socialist. Part Government under Lévesque was returned in Quebec on November 13, as well as to add that it's black humour cited from an ex-English but from a French working in a French practice.

Press

night of the election, PQ supporters were her French Canadians only they responded to of the underdog. It may be over: ion of what is to spread, at least in its community, French. That was to be ex- the future of Quebec gely depend upon his apprehension will the working classes owners.

ishionable in Canada that Quebecers will from the economic as of separation. As general states, the argu- and is amending as any member is a sutor or a net bene- the common wealth. The balance of the through the PQ argues calculation leaves out certain crucial

Independent

In their original form they cannot be put into practice except in an independent Quebec; but it would be wrong to underestimate what a determined provincial Government can do even within confederation.

In opening the current session of the Quebec National Assembly on March 8, Mr. Lévesque said that a rewritten Economic difficulties law would be added the way of encouraging soon. The signs are that the let-down in Cabinet will decide on some activity after the thing more moderate than the world exhibition led worst fears of the English



Mr. Trudeau and Mr. Lévesque (right): How flexible is federalism? How independent is sovereignty?

speakers. Some were afraid that English would be banned from Boardrooms—which would cause headquarters of several banks and other big companies to quit Montreal. English-speaking Quebecers have been promised that their children may continue to attend English schools. That privilege may now be extended to Anglo-Canadians from elsewhere, but not, for instance, to Americans and other non-Canadians which would cause great problems for example to American executives on temporary posting to Quebec.

It is essential to understand the motives behind the proposal. French Canadians have for generations been excluded from the main positions of economic power in Canada and much of the inspiration behind the PQ policies is to put that to rights. In fact, during the last 20 years or so the French have progressed, but it will take longer for the underlying facts, let alone attitudes, to change fully. One statistic illustrates the point: in 1975, of 104 companies in Quebec employing more than 1,000 people, as \$9.34 during 1973 as opposed to 4 per cent in the case of Ontario; value added per man hour in Quebec industry was more than 1,000 people, as \$11.61 in Ontario, and the gap Canadians on the Board. Of had been widening in the pre-course there is a "jobs for the vicious decade." The depressing boys element" behind all the thing is that the disease seems

to have shown no responsiveness than a mere economic association—but, then there is at all to treatment: the PQ is.

In practice the Lévesque Government so far has co-operated within the federal system. Only if one were to suppose that Quebec is not a others. It stood firm with the other provinces when the

be possible to argue that finance ministers discussed how external investors matter little to share out taxes; it refused to play when communications

the Americans have remained unconvinced that the PQ is on the right-path. The yield gap penurious. Government cannot help joining in talk about the right-path. The yield gap

between Ontario and Quebec bonds has widened to about 1 percentage point as U.S. investors hold back from Quebec, but the very stuff of federalism—admittedly the market for new and in most federal systems issues on Wall Street has not yet been tested. A domestic issue made by Quebec went well, with an unusually attractive yield:

Investors and others are going to be left in the dark much longer about some of the central issues. For instance, the precise degree of independence sought remains to be defined. In his speech to the National Assembly Mr. Lévesque used the words "national sovereignty" instead and spoke of a new type of association with the rest of Canada without . . . the constant problems; it is a matter of lesser Canadian confederation. Mr. Pierre Trudeau, the federal Prime Minister, and himself a result of which is hardest to predict.

that the PQ Government must his speech to the U.S. Congress settle within itself, and hence in February, when he said that more room exists for negotiation with Ottawa than some of the more intransigent statements made might lead one to believe.

In any case the problems are by no means peculiar to Quebec. Even frenchness is not a preserve of Quebec — there are French communities to be found from Newfoundland to Vancouver.

Moreover it is not at all untypical that in one of its first big arguments with Ottawa, the Lévesque Government should have at least tacit support from Saskatchewan. Quebec objects to a proposal to make the Quebec co-operative savings banks liable to keep cash reserves with the Bank of Canada, which would bring them under the aegis of Ottawa monetary policy. The proposal will probably fail, because Saskatchewan and other provinces also object.

Response

Mr. Trudeau has set up a small civil service group which is to plan the federal response to Mr. Lévesque. One of the first things it is doing is to call for reports from the Ministries about what responsibilities can be safely relinquished to the provinces. The point to bear in mind is that Canada is huge and varied country: 23 million people live in what is the world's second biggest State by area: they are stretched out across a continent that is wider than the Atlantic and embraces economies from the almost pre-industrial to the almost post-industrial.

Mr. Trudeau's study group will have to have its proposals ready for the campaign preceding a referendum on independence, which Mr. Lévesque has undertaken to hold during his term of office. Opinion polls taken before the election in November showed that only 18 per cent of the Quebec electorate wanted independence, so that the federal cause starts from a strong base. But Mr. Lévesque now has the initiative, and in particular will be the one to phrase the question that will be put. It is a great asset. The "feds" will have to work well and quickly.

There is nothing especially new about shifts of power from the centre (and back) within federal states. But that is a historian's view. From closer up, the contest between Canadian unity and Quebec independence may well look like a grudge fight between Mr. Trudeau and Mr. Lévesque. That is the sort of fight the Quebecer referred to that in predict.

Letters to the Editor

trols on

ES

Secretary, Retail Alliance. In his letter "Control on New Prices Policy" (March 11), Mr. Hume only points not only to the dangerous implications of the Government's co-operation. "A New Society," but more funds to its sheer lack of from which funds can proceed with from which funds can proceed with in the industry. Many share this reaction to the Retail Alliance comprising independent traders. Lend their resistance in price controls are slowly but surely trade downwards.

All Alliance regards it moment importance that the Consortium should consider with the Government principles of permanent for any further discussion. The consultative document "New Prices Policy" proposed by the government and the Retail Alliance has now been described as "an inadequate system involves any permanent transfer of wealth among citizens either."

The same is not true of the council house system, whose below-market rents are a true subsidy. The outcome is a political raffle, as those long lists of aspiring council tenants awaiting a house on the cheap, at some else's real expense, amply testify.

Christopher Meakin,
26, Desenfans Road, S.E.1.

High income brackets

From The Chairman,
Imperial Group.

Sir.—In his letter (March 11) Mr. L. A. Robinson appears to deduce from figures published in our accounts that we have been granting general salary increases to employees with salaries above £5,000 during the current pay code. This is not so.

The Companies Acts require that the accounts should show the actual earnings in the financial year in question. Our year ends in October. The pay code started in August 1975, and thus any salary increase awarded before that date would only be partially reflected in the year to October 1975, but would apply in full in the year to October 1976. There are, of course, other reasons for variations in these figures such as retributions and consequential promotions, new appointments and, sometimes, new acquisitions.

It is difficult to deduce anything meaningful from figures set out in the manner required by law. I must ask Mr. Robinson to accept my assurance that we have adhered strictly to the code.

John Pile,
Imperial House,
1, Grosvenor Place, S.W.1.

One union at Leyland

From Mr. D. Walkden.

Sir.—Surely it is now time for Leyland to radically review its management/worker relations. It is evident that with 117 different wage negotiations annually, disparity between plants and loss of differentials occurs. Would it be possible for a new union, The Leyland Car Workers Union to be formed, divided into sub-unions to represent the interests of management and supervisory, skilled production, and other

students should pay more than they do now, for the excellent tuition they receive in British Universities and colleges, but the Government's blunt demands demonstrate a lack of understanding of the place of education in a modern society and of the students' attitudes.

At a time when this country is desperately trying to sell goods and services overseas, why has education been left out of the trading equation?

Surely a degree or equivalent qualification is worth at least £50,000 to an overseas Government at to-day's prices. Yet for only a few hundred pounds a foreign student can come here, gain a superb education, then return home to contribute his expertise to his country's fortunes, often in competition with the U.K.

If we were to sell a degree for £50,000 direct to overseas governments, we'd at least get some foreign exchange in return, and students wouldn't be faced with an intolerable and personal burden.

Finally I think that Leyland should be made to realise that lost production means that products cannot be competitively priced and therefore profit is not created. Without profit there can be no new plants, no new products and no Leyland cars.

I believe that Leyland cars should be returned to the private sector, by allowing employees to acquire shares, as suggested by Mr. A. Hamilton's letter (March 8). This would considerably increase shop floor interest in the company, help to pave the way for worker directors (not something I am generally in favour of) and hopefully a much happier working relationship could then be achieved.

Finally I think that Leyland should be made to realise that lost production means that products cannot be competitively priced and therefore profit is not created. Without profit there can be no new plants, no new products and no Leyland cars.

John Wilson,
16, West Kensington Mansions,
North End Road, W.1.

Not waste paper

From Mr. L. Harrod.

Sir.—There is an aspect to the retention of documents other than the legal one ("Finance" and the "Family," March 5) and that is the importance of retaining wills and documents relating to estates for the use of historians, particularly those who are concerned with local, family, social, agricultural and commercial history.

Contemporary documents are the basis of most history, and if it had not been for the retention by estate offices, university colleges, local authorities, ecclesiastical organisations, archival etc., over the centuries of their "working papers," cash receipts, agreements, correspondence, and other forms of record, we should know very little about the past.

Most large cities now have archive departments, usually housed in the central public library, and every county council must by law operate a record office where documents relating to the county may be deposited and preserved.

Any documents which are available for disposal should therefore be sent to the appropriate county archivist.

L. M. Harrod,
42, Upton Road,
Hampstead, Herts.

Students' fees

From Mr. J. Wilson.

Sir.—The Government's increase in student fees has excited an understandable response in the student body, particularly with regard to the effect on overseas students. Of course, it is tempting to argue that overseas

GENERAL Commonwealth Day. Princess Anne attends special service at Westminster Abbey.

Balance of payments figures for February.

ECC Finance Ministers meet.

Brussels.

ECC Agriculture Ministers begin two-day meeting, Brussels.

UNCTAD Ministerial meeting on financing commodity buffer stocks continues, Geneva.

Massey Ferguson's Coventry plant expected to resume production after 11-week strike.

Mr. Michael Heseltine, Shadow Cabinet spokesman on environment, speaks at Plymouth Institute of Bankers dinner.

Four-day seminar on financial institutions opens, Chartered

Insurance Institute, Aldermanbury, E.C.2.

London Chamber of Commerce West European section meeting with Austrian trade delegation.

69, Cannon Street, E.C.3, 3 p.m.

Sir Robin Gillett, Lord Mayor of London, attends Saddlers' Company dinner, Saddlers' Hall, E.C.2.

International Packaging Exhibition opens, National Exhibition Centre, Birmingham (until March 18).

PARLIAMENTARY BUSINESS House of Commons: Debates on redevelopment of London docklands and on public expenditure

House of Lords: Covent Garden Market (Financial Provisions) Bill, third reading, Social Security (Miscellaneous Provisions) Bill, committee, Criminal Law Bill, report stage, Returning Officers (Scotland) Bill, second reading, Prevention of Terrorism (Temporary Provisions) Act, 1976.

OFFICIAL STATISTICS Retail sales (February, provisional).

COMPANY MEETINGS See Week's Financial Diary on page 24.

To-day's Events

EXHIBITIONS Silver Jubilee Exhibition, showing story of Royal Collection from Henry VIII to Elizabeth II. The Queen's Gallery, Buckingham Palace (all year).

Books, drawings and papers of J. R. Tolkien, National Book League, 7, Albemarle Street, W.1 (until April 17).

British stamps and postal history, Gibbons Gallery, 39, Strand, W.C.2 (until March 31).

MUSIC Vivian Banfield gives piano recital of music by Chopin and Schubert, St. Lawrence Jewry next Guildhall, E.C.2, 1 p.m.

BBC lunchtime recitals, Chiltington String Quartet, St. John's Smith Square, S.W.1, 1 p.m.

Racal Electronics Limited

has acquired more than 98% of the outstanding Common Stock of

Milgo Electronic Corporation

Morgan Stanley & Co. Incorporated acted as financial advisor to Racal Electronics Limited in this transaction and as Dealer Manager for the Tender Offer.

MORGAN STANLEY & CO. Incorporated

in cooperation with

HILL SAMUEL & CO. LIMITED

in London and its subsidiary in New York

March 11, 1977.

COMPANY NEWS

Beaumont Props. reasonably confident

DESPITE THE continued national problems Sir Cyril Black, chairman of Beaumont Properties, says that he still views the future with reasonable confidence, and if anything he is now more confident than he was a year ago.

Referring to interest rates he points out that these rose alarmingly in the first few months of the current year, while they are now beginning to ease, the general level is still too high for businesses to operate economically and successfully.

However, the chairman is confident that the underlying strength of the group is such that it will continue to overcome any difficulties caused by outside circumstances.

In the year ended September 30, 1976, group pre-tax profit increased from £451,204 to £785,634, and earnings per share rose from 1.5p to 3.1p.

The losses made by associates have fallen from £34,000 to £11,500 in 1976. The greater part of the debt funding of the associates—mainly overseas companies in the dollar area—and consequently the group as a whole has been relatively freed from the problems arising from the big fall in the value of the pound.

Referring to the value of the group's properties the chairman says that it would be normal practice to have them valued every third year, but in 1975 the market was in such disarray as to make a realistic revaluation impossible.

The property market has in the past two years become much more stable and there is increasing demand, leading to consistently higher prices, in the case of properties of the type which the group owns. It is therefore intended, subject to no unforeseen changes in the market, to have a professional valuation of all properties as at September 30, 1977.

Group properties at September 30, 1976 totalled just over £25m, with freehold properties representing 76 per cent, and leasehold 24 per cent.

Share Information Service

The following securities have been added to the Share Information Services appearing in the Financial Times:

Coincine Riotino (Section: Mines — Australian). Green Group (Section: Cinemas, Theatres and T.V.).

This advertisement is issued in compliance with the requirements of the Council of The Stock Exchange. It does not constitute an invitation to the public to subscribe for or purchase any Notes.

THE GENERAL ELECTRIC COMPANY LIMITED
(Registered in England—No. 67307)

Issue of £178,326,900 Floating Rate Unsecured Capital Notes 1986

The Council of The Stock Exchange has granted permission for £178,326,900 Floating Rate Unsecured Capital Notes 1986 of the Company to be admitted to the Official List.

Particulars of the Notes are available in the statistical service of Exetel Statistical Services Limited and copies may also be obtained during normal business hours (Saturdays excepted) for the next fourteen days from:

S. G. Warburg & Co. Ltd.,
30 Gresham Street,
London, EC2P 2EB

Rowe & Pitman, Hurst-Brown,
City-Gate House,
38/45, Finsbury Square,
London, EC2A 1JA

de Zoete & Boven,
25, Finsbury Circus,
London, EC2M 7EE

We've passed our eleven plus.

For the eleventh consecutive year overall trading profits for the Barrow Hepburn Group increased in 1976.

Compared to 1975 profits before exceptional items and taxation were up by 35 per cent.

We have been allowed a 12.5 per cent increase in dividends and earnings per share are up from 4.6p to 7.4p.

Despite adverse conditions for the U.K. Tanning operations, the Leather Division as a

whole increased both turnover and profits.

The Chemical Division has provided the main boost to group profits, and investment of more than £1m in this Division represents a little over half of all new investment for the year.

Although the economic climate has been far from ideal, Barrow Hepburn Industries has also managed to maintain profit levels.

Exports have increased by 68 per cent.

Group profit for 1977 is expected to show further improvement.

Barrow Hepburn Group Limited 1976 Highlights

1975	1976
74,000	116,420
1,000	1,000
2,000	3,784
2,000	2,200
2,000	2,200
42.7p	42.7p

Dividends and Ordinary Shares
Annual Dividends

Copy of the Annual Report and Accounts can be obtained from the Company Secretary, Barrow Hepburn Group Limited, 23 South Audley Street, London W1.

Barrow Hepburn Group Limited

OVERSEAS MARKETS

EUROBONDS

Firm dollar prices prompt several new issues

WITH ONLY one new issue being announced in the course of last week, prices in the U.S. dollar sector firmed markedly. Thursday was a particularly good day with rises of between an eighth and three-eighths of a cent for strong sterling and a high British stock market have never lasted long enough to get it off the ground.

The issue will certainly be watched closely in Britain since a number of British companies want to raise funds in the Eurobond market.

Inchcape has been waiting for several years to do a convertible Eurobond issue but in the past the favourable combination of strong sterling and a high British stock market have never lasted long enough to get it off the ground.

The issue will certainly be

watched closely in Britain since a number of British companies want to raise funds in the Eurobond market.

Inchcape falls into that category of British companies whose earnings are mainly outside the U.K. Indeed mostly outside Europe. At no time during the last five years has more than 23 per cent of the group profit been attributable to operations in Europe (including U.K.) though the proportion has been rising. Last year the U.K. and Europe accounted for 23 per cent of assets and 21 per cent of profit. Most of its operations are in the Far East and South East Asia.

Most of the company's share-

holders however are still in the U.K. and one of the major aims of the issue is to spread the shareholding internationally.

In line with some other recent issues, there will be no management group—Barings and Credit Suisse White Weld will be the only managers.

The other two new U.S. dollar issues to be announced over the in 1973. It is noted that the week-end are for Elf-Aquitaine company has been restructured and Singer International Securities since that last issue and that it is the purpose of the Singer made a \$60m. profit last year.

Issue is to refinance the 11 per

cent three-year notes which as lead, the co-managers include

maturing this August (and which two of the Swiss houses, Crédit

were also handled by Goldman Sachs when they were launched

in the mid-70s.

Elf-Aquitaine's new issue is

to be a \$150m. issue for Volks-

wagen, was again widely

rumoured on Friday, with a

number of market operators

suggesting that TBS (Securitie

might be lead manager. All

reliable sources say however that the rumour is, at the least

several weeks premature and that

it if does materialise the lead

manager will be a German Bank.

The one issue announced

last week was the \$50m. for

Toyo Menka Kaisha under

guarantee of Tokai Bank. Given

its five-year maturity, the issue

is expected to be comfortably

covered—the managers agree

that though the market in

general is saturated, there is

still good demand at the short

end.

After a par pricing rate note

opened disappointingly at \$84.4

and fell further on Friday after

the announcement of two new

issues, for Iceland and Austria,

and a private placement for

the European Investment Bank.

The DM 50m. bonds, guaranteed

by the French Republic, offer

61 per cent on a seven year

bullet maturity, issue price par.

There is an optional redemption

clause starting at 101 in 1981

on a par pricing after that will be

half annually.

The European Investment Bank and UBS issues are reported to have gone well and

coupons are expected to be held

at the indicated levels when they

are priced this afternoon.

The Canadian dollar fell 30

far on the foreign exchange

markets last week as to attract

buying interest into Canadian

dollar Eurobonds, dealers report.

Recent issues are still being

quoted at discounts of around

two points from issue prices,

however.

Favourable conditions on the

Canadian domestic bond market

make it unlikely that a Canadian

borrower will currently tap the

European market (with the

exception of those borrowers who

operate in all capital markets simultaneously). However, the European

Coal and Euroclear

are currently reporting

activity in the Eurobond market.

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Businessman's Diary

U.K. TRADE FAIRS AND EXHIBITIONS

Date	Title	Venue
Current	Indian Electronic Components Exhb. (cl. Mar. 31)	28-30 Cork St., W.1
Current	Quality by Design Exhibition (cl. Mar. 26)	Design Centre, S.W.1
Current	Chelsea Antiques Fair (cl. Mar. 19)	Old Town Hall
Current	Daily Mail: Ideal Home Exhibition (cl. Apr. 2)	Olympia
Today	National Carpet Fair (cl. Mar. 17)	Blackpool
Today	Industrial Security Equipment Exhb. (cl. Mar. 17)	Trade Center, W.1
Today	International Packaging Exhibition (cl. Mar. 18)	Nat. Exhib. Centre, B'ham.
Mar. 15	Temperature Measurements and Control Exhb.	Wembley Conf. Centre
Mar. 15-17	Int. Power Technology & Bulk Solids Exhb.	Harrogate
Mar. 21-25	Scottish Hotel, Catering and Licensed Trade Exhb.	Glasgow
Mar. 22-23	EIA Engineering Exhibition	Coventry
Mar. 22-24	Computerworld '77 Exhibition	Cunard Int. Hotel, W.6
Mar. 22-24	International Tyre and Equipment Exhibition	Earls Court
Mar. 28-Apr. 1	Engineering Inspection & Quality Control Exhb.	Nat. Exhib. Centre, B'ham.
Mar. 28-Apr. 1	Autogrip '77 Exhibition	Wembley Conf. Centre
Mar. 29-Apr. 1	Business & Management, Teaching Aids Exhb.	Bristol
Mar. 31-Apr. 1	Frozen Food Exhibition	Metropole Centre, Brighton

OVERSEAS TRADE FAIRS AND EXHIBITIONS

Date	Title	Venue
Current	Intl. Construction Machinery Fair (cl. Mar. 16)	Munich
Current	International Spring Fair (cl. Mar. 20)	Leipzig
Mar. 15-24	British Industrial Exhibition	Caracas
Mar. 17-27	International Motor Show	Geneva
Mar. 17-31	Cairo International Fair	Cairo
Mar. 18-Apr. 2	British Export Fair	Tokyo
Mar. 21-24	Petrochemical and Refining Exhibition	Houston
Mar. 25-Apr. 2	International Building Exhibition	Utrecht
Mar. 26-Apr. 4	Lyons International Fair	Lyon
Mar. 31-Apr. 6	International Electronic Components Exhb.	Paris

BUSINESS AND MANAGEMENT CONFERENCES

Mar. 15	Marchmont: Tax Saving for Private Companies
Mar. 15	IBA: Financial Communication in Industry
Mar. 15	Sira: EEC Marketing Problems Solving
Mar. 16	CBI: Economic Revival & Ind. Innovation
Mar. 16	BIM: Interpreting Accounts to the Non-Fin. Man.
Mar. 16	ESCI: Occupational Pensions Schemes
Mar. 16	Institute of Credit Management National Conf.
Mar. 16	Spring Research: Effective Planned Maintenance
Mar. 17	Induscon: Transactional Analysis
Mar. 17	EBI: Re-thinking Corporate Finance
Mar. 17	CBI: Joint Venturing in Iran, 1977
Mar. 17	Textile Inst.: Weaving Onlookers & Textiles
Mar. 22	CBI: Europe and the Middle East
Mar. 22	London Chamber of Commerce: Foreign Currency
Mar. 22	LPCIS: Social Security and Pensions
Mar. 22-23	IGER: Research & Corp. Planning in the Chem. Ind.
Mar. 22-24	Scourage: Money and Ships
Mar. 22-25	Assoc. of Gen. Eng. & Taxation: District Heating Agency National Conference
Mar. 24	Merseyside: UK's Port in the EEC
Mar. 24	CBI: Export Finance in Foreign Currencies
Mar. 24	CBI: Trade: Documentary Credits
Mar. 24-25	UK & Prop. Studies: Corporate Tax Reduction
Mar. 25	W. Soc. for Effective Office Management
Mar. 25-30	ORG (U.K.): Paving People Abroad
Mar. 28-Apr. 1	P.E. Cons. Grp.: Payment Systems & Legislation
Mar. 28-Apr. 1	ICMA: ED & the Management Accountant
Mar. 29-30	PBIS: Building Sub-Contract Forms
Mar. 30	Stanford Research: Decision Analysis
Mar. 30-31	Financial Times: Employment Conditions Abroad Limited: International Executive Employment

This week in Parliament

TO-DAY COMMONS—Debate on the fifth report from the Expenditure Committee in Session 1974-75 on Redevelopment of the London Docklands and on the Eighth report in Session 1975-76 on public expenditure on Chrysler (U.K.). Second reading of the Representation of the People Bill. **LORDS**—Covent Garden Market (Financial Provisions) Bill, third reading. Social Security (Miscellaneous Provisions) Bill, committee. Criminal Law Bill (HL). report. Returning Officers (SI Bill, second reading. Prevention of Terrorism (Temporary Provisions) Act 1976 (Continuance) Order 1977. **SELECT COMMITTEE**—Expenditure, Education, Arts and Home Office sub-committee. Subject: The Attainments of the School Leaver. Witnesses: National Association of Schoolmasters. Union of Women Teachers. (4.15 p.m. Room 13).

TO-MORROW COMMONS—Consideration of Lords' Amendments to the Aircraft and Shipbuilding Industries Bill. Debate on the first report in Session 1976-77 of the House of Commons (Services) Committee on the printing of Hansard. Motion on EEC Document on Safety at Work Information. **LORDS**—Agricultural Holdings (Notice to quit) Bill (HL). Committee. Consolidated Fund (No. 2) Bill, third reading. Motions to

approve Housing Finance (N.I.) Order, 1977 and Consumer Protection and Advice (N.I.) Order, 1977. Patents Bill (HL) committee.

WEDNESDAY, COMMONS—Motion on EEC Documents on Community agriculture proposals. Remaining stages of the Water Charges Equalisation Bill, and of the Nuclear Industry (Finance) Bill. **LORDS**—Debate on the need for further selective measures to deal with the problems of unemployment. Debate on the need for early decisions on future airports policy for the London and Greater London Areas. Unstarred question on whether the Government will ensure that the telecommunications authorities now review their policy regarding installation and standing charges. Select Committees—Expenditure, Trade and Industry sub-Committee. Subject: Further evidence on British Leyland. Witnesses: British Leyland. Sir Richard Dobson, chairman; Mr. Alex Park, chief executive. Mr. Derek Whittaker, managing director, Leyland Cars. Mr. Pat Lowry, director of industrial relations. Lord Ryder chairman, N.E.B. Mr. N. J. Garner, head of British Leyland support staff. Sir Peter Carey, Department of Industry Permanent Secretary. Mr. W. R. G. Bell, head of vehicles division. Mr. C. H. Irwin, TGWU. Deputy General Secretary. Mr. Terry Duffy.

AUEW national executive councilman (10 a.m. Room 16). Unopposed Bills. London Transport Bill (4 p.m. Room 9). Overseas Development Subject: Government response to the Select Committee's report on the world food crisis. Witness: Mrs. Judith Hart, Minister for Overseas Development (4.15 p.m. Room 8). Expenditure, Social Services and Employment Sub-committee. Subject: The Job Creation Programme. Witnesses: Lord Vaizey, Prof. Ridley (Liverpool University) (4.30 p.m. Room 11).

THURSDAY: COMMONS—Debate on the White Paper on the Government's Expenditure Plans. Remaining stages of the Representation of the People Bill. **LORDS**—Roe (Close Seasons) Bill. Motion to Approve County Courts Jurisdiction Order 1977. Motions to Approve Social Security (Contributions) (Married Women and Widows) Amendment Regulations 1977. Debate on the 54th report of the European Communities Committee on the Draft Fifth Directive on Company Law: Two-Tier Boards and Worker Participation. Debate on the 89th report of the European Communities Committee on the Landellis Directive. **FRIDAY**: COMMONS—Private Members' motions.

The union is demanding an extra £3 a week for outside broadcast cameramen. It has referred the BBC offer of arbitration on the dispute.

Song contest decision likely to-day

A DECISION on whether the Eurovision Song Contest should be transferred from London because of a strike threat by TV cameramen will be announced to-day.

The contest is scheduled to be staged at Wembley Conference Centre in North London on April 2, but the Association of Broadcasters, which backed out the British preliminary heat this week, has refused to guarantee that its members will fill the show.

The union is demanding an extra £3 a week for outside broadcast cameramen. It has referred the BBC offer of arbitration on the dispute.

APPOINTMENTS

Steetley finance director

Mr. P. Roberts has joined the Board of the STEETLEY COMPANY as finance director.

* Sir David Nicolson, chairman of British Airways from 1971-73, has joined the Board of TRADEWINDS AIRWAYS, an independent all-freight airline.

The Newcastle branch of Glavon Enthoven and Co. which has been trading as Glavon Enthoven (Northern), has been formed into a company called GLANVILL ENTHOVEN (NORTH EAST). Its managing director is Mr. W. Barnes and Mr. R. C. Low, a main Board director of Glavon Enthoven, becomes chairman. Mr. M. B. Gerrish and Mr. C. W. Wearmouth have been appointed directors.

* Birmid Qualcast has made the following appointments in its heating division, PYTERTON INTERNATIONAL: Mr. J. E. Broekwell (deputy managing director) and Mr. J. W. Turner (manufacturing and development director) have become joint managing directors; Mr. D. A. Dickenson (U.K. sales and marketing director) is now additionally responsible for overseas sales and marketing; and Mr. P. R. Armitage (a director of Birmid Qualcast) joins the Board. Mr. P. C. Seales has relinquished his position as managing director.

* Mr. Kenneth H. Allen, general manager and chief actuary of COMMERCIAL UNION INSURANCE COMPANY, will be retiring on April 30. Mr. J. H. Webb, deputy general manager and principal actuary, U.K. division, has been appointed actuary to the Company.

* Mr. G. M. Chichester has been appointed a director of C. E. Heath and Co. (Aviation). Mr. R. G. Smith is now an assistant director of C. E. Heath and Co. (Aviation) Reinsurance Broking. Mr. K. D. Hodget and Mr. R. M. Rose are to be assistant directors of C. E. Heath and Co. (North American Reinsurance Broking) from April 1. The companies are members of the C. E. HEATH GROUP.

* Mr. David Tory has been appointed managing director of COMPUTER ASSOCIATES in the U.K. following the acquisition of Carus AG and Co. by Computer Associates International.

* Mr. Ronald H. Cooley has been named vice-president, finance and administration, for ITEL INTERNATIONAL, and will be based in London.

* Mr. Abdul Latif has been appointed financial director of SYNCRONIC INDUSTRIES.

The Bank of Scotland intimates that, as from 14th March, 1977, and until further notice, its Base Rate will be TEN AND ONE HALF PER CENT. PER ANNUM also with effect from 14th March.

The rate of interest on sums lent for a minimum period of 7 days will be SIX AND ONE HALF PER CENT. PER ANNUM also with effect from 14th March.

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J.P. Tuke 1976

Barclays 1976

Profits adequate but weak pound and high interest rates bring problems.

The Annual General Meeting of Barclays Bank Limited will be held in London on April 6th, 1977. The following is from the address to the Stockholders by the Chairman, Mr. Anthony Tuke, for the year 1976.

Our profits this year at £197.9 million are at first sight satisfactory but we must take into account two factors which have affected them, both of which from the point of view of our country are unwelcome. The most obvious is the substantial fall in the value of the pound since the end of 1975, a fall far greater than could possibly have been foreseen in our most pessimistic mood but one which has had the effect of increasing the value of our overseas earnings. Equally important, and almost as regrettable, has been the sharp rise in rates in this country during the second half of the year. This has had a marked effect on the Clearing Bank to the extent of which was not wholly foreseen at the beginning of the year. But a weak pound and high interest rates bring them problems for the future: the former is the biggest single handicap with which we, as an international bank, have to contend in a market in which we compete with rivals from the United States, Germany and all backed by strong currencies. So we would all prefer a strong pound at the expense of making our profits harder to earn. The unprecedented interest rates from which we have been suffering in this country are caused partly by the Government's need to fund its deficit and we welcome reports that the Chancellor rates to fall during 1977. High rates cause difficulties in the lending field and have not helped our remaining passengers who have yet to reach the shore. However, new provisions for 1976 are modest in relation to our profit.

Inflation accounting is a subject which has had its full share of space in the newspapers and is an area the banks must state their case. We fully support the proposals whereby the effect of inflation on companies' costs is reflected in their Accounts. However, because our 'stock' is money, not goods or raw materials, the exposure draft leaves banks as the main industry whose accounts are virtually unaffected by the new system; all know that the current value of money is itself the measure of inflation and that holders of money from inflation just as much—and perhaps more—than holders of any other asset. We cannot accept that what is no more than adequate bank profits should remain unadjusted for the effect of the fall in the real value of trading stock and of our related capital, with all the resulting implications for taxation, price control and evaluation of our performance. We have reason to hope, however, that steps will be taken during the period to reduce the impact of this anomaly.

Nationalisation

Although a great deal has been written already about the nationalisation of banks, I must inevitably add lest it be thought that silence infers indifference.

When one looks at the nationalisation of banks, the views of the three main bodies of opinion are anti. These are the customers, which in effect means the public, our staff and our stockholders who, after all, are present owners of the business. The views of our customers are well known and at least four-fifths of them leave the banks as they are and continue to permit themselves the opportunity to cross the road if they do not like the service they are getting, and transfer their accounts to a competitor. The Prime Minister, himself, used the strength of this feeling when he spoke of bank nationalisation as an electoral albatross. The views of staff are also quite clear and this has been confirmed by the National Union of Bank Employees and the Staff Association, which between them represent the vast majority of men and women who work for us. They have stated they do not favour the nationalisation of banks. That leaves the stockholders and, although regrettably voices are not always listened to nowadays, we believe that the 140,000 or so holders of Barclays shares are not to exchange them for a Government stock. They are, we trust, reasonably happy, partly because we have not had to call on them for more money in the form of a rights issue since 1961 and in those 15 years the value of their original investment has almost quadrupled.

We hear a great deal nowadays on the subject of the social responsibility of companies, particularly of multinationals. The impression sometimes gets about that these are immensely powerful organisations which have no object in mind, namely, to take as much profit as possible from countries in which their money is invested. There may have been isolated cases where such an impression was not without foundation, but our Bank has, we believe, invariably made a social contribution in the countries in which it has operated. As an example, in 1970, Barclays International created a Development Fund into which it has transferred 1 per cent of after-tax profits every year amounting so far to £1.35 million. The money is allocated mainly in Third World countries to support projects which seem desirable on economic or social grounds but which would not attract finance if judged from a commercial standpoint. We do not expect a return on this money and, indeed, a great deal of it goes in the form of grants. The formula was based originally on the 1 per cent of GNP, later redefined as 0.7 per cent, which the nations were asked to set aside for the Third World. Even at this reduced level only two of the developed nations currently exceed the target and, regrettably, we in Britain are now down to 0.37 per cent. We recognise, however, the special problems faced by governments in maintaining aid programmes and it is clear that the private sector must do what it can to help. The Bank's Development Fund has supported well over one hundred projects and it is intended that these should play a pump priming role for subsequent development. As an example, in a Fund is making possible the employment by a local company of a specialist who, in eighteen months, has ranged a programme which has brought into rice production some 9,000 acres of undeveloped land.

Southern Africa

As one of the 400 or so British corporate investors in South Africa we have frequently defended our right not to dispose of our investment. To do so would involve selling our holding in Barclays National Bank to a South African company. We cannot see how this could possibly help the Africans and it was encouraging to hear Mrs. Helen Suzman, a leading opponent of apartheid, confirm recently that withholding investment in South Africa would not change the present regime. Indeed we have been told by more than one independent source that our continued presence in South Africa has almost unanimous African support. We have not changed our view about the South African Government's apartheid policy which is morally and economically indefensible as it imposes unacceptable conditions on the majority of its citizens. There has been progress but it is much too slow and our duty as investors is to do what we can to accelerate that progress. It is a step in the right direction that Namibia (South West Africa) is to be granted full independence in 1978 and we hope the same can be said of Rhodesia, though at the time of writing the prospects of a peaceful transition seem to be receding. As soon as independence is granted, both in Namibia and in Rhodesia, we propose to form local subsidiary companies with, we hope, a proportion of the shares in due course held by Namibians and Rhodesians.

To trade as an international bank these days is not without its hazards and the Arab Boycott is a case in point. Although no less than 40 meetings of the Boycott Committee have taken place in the last 20 years, it is only recently that we have been under criticism and at their meeting in October, we were, we believe, placed on the list. We have never at any time had any form of direct communication from the Boycott Office in Damascus so it is difficult for us to state our case to the decision-makers and I will therefore try in this statement to do so. It seems to us that an international investor should base decisions on a long-term commercial strategy and should try to avoid the compromises which often stem from short-term and political considerations. Following the sequestration of our Egyptian operation in 1956 and the nationalisation in 1970 in Sudan, Barclays International had virtually no interest in the Middle East apart from Israel and our decision some four years ago to invest both directly and indirectly in Arab countries was taken as part of a long-term plan. Since then we have been granted permission to open branches in Abu Dhabi, Dubai and Sharjah and in addition we have invested \$5 million to take up a 50 per cent shareholding in Cairo Barclays International, our partners being the Banque du Caire. We have also opened a Representative's Office in Bahrain. Apart from these direct investments we have as a policy taken substantial participations in loans to Arab countries and our involvement has always been welcomed by the authorities who we feel sure have been aware of our long-standing presence in Israel which goes back some fifty years. Nevertheless, it is in the Arab countries that we have expanded and this policy has never at any time been criticised in Israel. In the last analysis, therefore, we are convinced that an international bank cannot submit to pressure of this sort and must work to support tolerance against intolerance. In this, we believe, we have the backing of many of our Arab banking friends.

Electoral Reform

Until about 15 years ago Bank Chairmen often indulged in the luxury of commenting on the affairs of the nation. Since then the general trend has been that of a shoemaker sticking to his last, so our report to our stockholders confined itself to the affairs of the Bank. During recent months, however, bankers and others have been criticised, not least by some politicians, for overdoing the policy of keeping their heads below the parapet. As the Chairman of what is probably the most far-sighted of our international competitors said recently, the theory of 'homo confundens' is no longer good enough. Unless communications have completely broken down, a bank with some 2,500 branch managers up and down the country should have some idea of what ordinary men and women are thinking and saying and the clear impression we get is that people are willing to submit to altogether stronger medicine than that which has been given to them during the past year in three separate mouthfuls. The Prime Minister in a number of impressive speeches has warned of sacrifices and unpleasant measures but when the measures are announced they amount to much less than anyone expected. Horace got it about right when he said 'Parturient montes nascetur ridiculus mus'. A single mouse is clearly an understatement when applied to expenditure cuts of £1,000 million in the coming year, but the largest saving is on the capital side which only postpones the problem.

It may be that we are now suffering the consequences of a situation in which political considerations sometimes seem to take precedence over everything else and where it is arguable that the more extreme views within Parliament carry proportionately much more weight than they do in the country as a whole. For this and other reasons we are one of a number of companies which have subscribed to the National Committee for Electoral Reform. We do not expect miracles overnight but public opinion is clearly moving towards a system which reflects more accurately the view of voters as a whole and removes the risk, however remote, that when crucial decisions are taken, the interests of the two main political parties could take precedence over the interests of the country.

Future Prospects

It is never easy to peer into the future but there are obvious signs that we are moving towards a more comfortable balance of payments position, and a combination of the IMF loan and the 'Safety Net' for official sterling balances cannot fail to bring more stable conditions. The new investment which is so badly needed will probably have to wait until interest rates have fallen to more acceptable levels but there is a considerable cloud on the horizon in the shape of the number of people in this country who are anxious to work but remain unemployed. New investment will produce some new jobs in the short run but our long-standing problem of over-manning will mean, of necessity, that industrialists will endeavour to manage with less labour in the future. We learned in the 1930's of the distress caused to young people who had worked hard at school to obtain qualifications and who were quite unable to obtain any sort of job when they left. One can only hope that these days will not return but, during the next five years or so, this must be one of the major problems facing the Government. The economic state of the country inevitably has a bearing on the Bank's prospects, and whilst falling interest rates and a stronger pound may well make profits harder to earn, we hope that a general expansion of trade throughout the world will more than make up for this.

Staff

With the Group network now extending to over seventy countries, we are served by over 90,000 staff of many different races, backgrounds and creeds. This is the nature of an international bank and it means that we are united in a common purpose—the prosperity of the Barclays Group. Although we may never meet more than a very small number of our colleagues, it is this shared aim that binds us together. Those who criticise multi-national companies forget the part that they play in securing unity across frontiers where otherwise there might be little common ground. All those who lead such companies are conscious of, and indeed depend on, these special links. With these thoughts in mind I am sure stockholders would wish to join with me in thanking all the staff of the Barclays Group who have worked so hard during the past year.

Anthony Tuke

Anthony Tuke, Chairman of Barclays Bank Limited.

BARCLAYS



REGISTERED OFFICE: 54 LOMBARD STREET,
LONDON EC3P 3AH. REG. NO. 48839.



FT SHARE INFORMATION SERVICE

The Financial Times Monday March 1

INDUSTRIALS—Cont.

Dividends Paid Stock Price

Feb. Oct. Alfrax Inds 25p 48

Feb. Oct. Alfrax Inds 25p 71

Feb. Oct. Alfrax Inds 25p 73

Feb. Oct. Alpine Hides 50p 24

Aug. Feb. Amal Industri 50p 12

Oct. Feb. Amal Industri 50p 237

Aug. Apr. Amal Inds 50p 93

July. Apr. Amal Inds 50p 11

July. Apr. Amerson (A) 10p 27

Sept. Feb. Ames Leisure 10p 20

Apr. Oct. Ames Sprays 10p 18

Apr. Oct. Ames Sprays 10p 45

Sept. Oct. Amex Inds 10p 46

Sept. Oct. Amex Inds 10p 47

July. Oct. Amex Inds 10p 47

Benn faces energy policy struggles

BY ROY HODSON

MR. ANTHONY WEDGWOOD BENN, the Energy Secretary, Coal Board and the National Union of Mineworkers are facing a number of new rows about energy policy involving pinning their hopes on achieving gas prices, coal production and a new productivity scheme from North Sea development.

Whitethorn sources yesterday were expecting the 10 per cent. increase in gas prices to be confirmed—a demand for a top rate applied on April 1 as planned.

Before then, however, Mr. Benn is likely to have a struggle with the Nottinghamshire area—Mr. Joe Gormley, NUM president, is increasingly banking on a high-priority scheme starting after the present phase of increases.

Opponents to the proposed incomes policy. This could avoid an extra £100m. from energy a collision on pay if another consumer from this spring will play havoc with the Government's campaign to hold prices.

Mr. Benn accepts the view of his Energy Department that gas is priced too cheaply, thus causing a distorted energy market to the disadvantage of electricity and encouraging the too-rapid depletion of Britain's gas reserves.

A new coal industry crisis is arising, meanwhile, because of dwindling productivity in all the major coalfields. By the close of the National Coal Board financial year at the end of this month, deep-mined coal production in 1976-77 is expected to have been between 106m. and 107m. tonnes compared with 112m. tonnes the previous year.

It will not fall below 100m. tonnes as some reports have suggested, but the expected decline of 6 per cent. is regarded as a disturbing new element in the energy strategy.

The root cause is the miners' lack of interest in achieving higher output without a produc-

Divers fight tax ruling

THE NORTH SEA exploration and production programme could be disrupted by the refusal of divers to work if they are hit by new income-tax demands.

The Inland Revenue has decided that they can no longer be self-employed, but from April this year must be subject to Pay As You Earn.

The National Federation of Self Employed has taken up the case of the divers.

The offshore industry recognises a danger that divers may leave their hazardous profession if they are no longer permitted to earn at high rates—sometimes more than £25,000 a year—during their relatively short working careers.

An offshore workers' branch of the federation has been set up to test the legality of the new tax ruling.

Money supply figures expected to show third consecutive fall

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

A FALL in the money supply is set to move into surplus at as for the third month running is early in 1977-78 as some expected to be confirmed this week in the last major series of economic indicators before the Budget on March 29. The statistics are also likely to show that inflation is still on an upward trend in the short term.

They are not likely significantly to change the official view of the immediate economic prospects, with weak consumer demand, a slow rise in output and a tight monetary squeeze.

There will, however, be keen interest in whether the February trade figures, due to be announced this afternoon, can help to reduce uncertainty about the rate and extent of any improvement in the current account this year.

The underlying trend has become more difficult to establish because of the erratic month-to-month figures. The current deficit has fluctuated to £247m., £15m. and £245m. in the last three months. The authorities have been reluctant to pro-

Bulletin, both due on Thursday. The banking figures for the four weeks to mid-February, announced last Wednesday, indicated clearly that money supply on the wider definition (M3) would fall for the third month running. The total so far in the financial year is well within the range indicated by the forecast of an increase of 9.12 per cent. in the year ending mid-April.

The Bank Bulletin should also confirm that the rate of domestic credit expansion is within the ceiling of not more than £5bn. for the current financial year.

The bulletin will include its usual economic analysis and series of external and internal financial statistics.

Other indicators due during the week are the index for retail sales in February (this afternoon), the industrial production index for January (tomorrow) and an estimate of Gross Domestic Product for the fourth quarter (on Friday).

Henley forecast Page 7

Labour Party move for special conference on European polls

BY PHILIP RAWSTORNE

THE LABOUR PARTY, split over direct elections to the European Parliament, is expected to raise demands to-day for a special one-day party conference on the issue.

Mr. James Callaghan's refusal to give assurances that the election legislation would not be introduced this session will be discussed at a joint meeting at the Commons of the Labour National Executive's organisation and international committees.

Left-wing members of the committee last week reaffirmed their opposition to the election of a system of proportional representation voting with regional

lists of candidates. Labour candidates would be selected by a vote of party members in each region. Such a system would solve some of the problems that direct elections pose for the Labour Party. It has been estimated that it would win no more than 10 of the 81 seats if the "first-past-the-post" voting method were used in greatly enlarged constituencies.

Mr. Ron Hayward, general secretary, warned at the weekend that the split, potentially one of the worst the party has faced, could cause "deep trouble."

Scots conference Page 7

Continued from Page 1.

Leyland £30m. short of target

secretary of the Transport and General Workers' Union and also a member of the NEB, is appearing for the unions rather than the Board. But strenuous attempts by the Department of Industry have so far failed to change the committee's decision that the session should be held in public.

Mr. Hodson writes: Trading in iron and steel, which constitutes more than four-fifths of the materials used to make a motor car, is being hit as the ripple effect of the British Leyland strike spreads through industry.

British Steel Corporation, the bulk steel supplier, and the private sector steel companies which supply specialised steels are losing orders.

The average materials mix in a British Leyland vehicle is sheet steel, 34 per cent.; steel bar and billet, 11 per cent.; cast iron, 15 per cent.; other iron and steel, 3 per cent.; rubber, glass, plastics, textiles, and miscellaneous materials, 17 per cent.

Mr. Davies' re-collecting of the committee's letter to its legal adviser, Mr. Lee, was "tendentious and selective." It was "bound to create ill-will and suspicion between the Prime Minister and Malaysian leaders."

The Malaysian Government has remained silent on the disclosure.

Mr. Davies, however, issued a statement in Hong Kong on Saturday alleging that the statement by Mr. Senkutuan and the Prime Minister.

Conservationists may be given say in nuclear plant

BY DAVID FISHLOCK, SCIENCE EDITOR

PLANS to give environmental

safety analyses to satisfy the Government's chief nuclear

breeder reactor power station

breeder reactor power station